THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established In 1917

August 2, 1947

GENDARMES Vs. POLICE

AN EDITORIAL

Legality Of Martial Law Here

C. Y. W. Meng

A Previous Failure

D. Y. Lanne

Where Did U.S. Policy Originate?

David Conde

BLOOD ON THE FLAG

AN EDITORIAL

VOLUME 106 PRICE CNC$5,000 NUMBER 9

Keep rolling with

B.F.Goodrich

FIRST IN RUBBER

Sole Distributors:

THE CHINA MERCANTILE CO., LTD.

P. O. Box 476

97 Yuen Ming Yuen Road Telephone 13312

SHANGHAI

Keep Abreast Of Events... Subscribe To

THE CHINA WEEKLY REVIEW

A Weekly Newspaper Established in 1917

The leading English-language weekly in the Orient since 1917. Forthright and independent editorials coupled with a wide variety of articles from noted writers today keep the Review ahead—both in reader-interest and circulation.

Fill in the blank below today.

THE CHINA WEEKLY REVIEW,
160 Chung Cheng Road,
Shanghai, China.

Please enroll me as a subscriber for .....months, for which I am remitting ..... herewith.

Name:.....

Street:.....

City:.....

(See subscription rates below index)

FOR YOUR SAFETY

CAREFUL MAINTENANCE

★ American mechanics are permanently stationed at every PAL port of call, including Shanghai. Every motor gets a thorough check at every stop of the big 4-Engine Skymasters in the PAL Transpacific Fleet.

★ These experts have the finest equipment that can be bought. To extend maintenance facilities, PAL has just taken over a complete maintenance and overhaul unit from the Samar Army Air Base.

★ Maintenance is just one of the factors in safe flying, but one of the most important. This combination of the best modern equipment in the hands of the best mechanics helps maintain PAL's exceptional safety record

TWO FLIGHTS WEEKLY
TO **SAN FRANCISCO**
VIA **HONGKONG**
MANILA & HONOLULU

Philippine Air Lines

SAFETY IS OUR WATCHWORD

FOR BOOKINGS CONTACT

WILLIAM HUNT & CO. Fed. Inc., U.S.A.
53 FOOCHOW ROAD TEL. 18696

CHINA TRAVEL SERVICE
420 SZECHUEN ROAD TEL. 13450

WILLIAM HUNT & CO.

Federal Inc., U.S.A.

Assisting in the rehabilitation and development of China by supplying machinery, machine tools and equipment for all basic industries, including:

TEXTILES	CONSTRUCTION	MINING
ELECTRIC POWER	AGRICULTURE	COMMUNICATIONS
AVIATION	SHIPPING	AUTOMOTIVE
RAILWAY TRANSPORTATION		FOOD PRODUCTION

NANKING	SHANGHAI	HONGKONG
1 Poo Too Road	53 Foochow Road	Hongkong Bank Bldg.

SAVE LIGHTERAGE

Instruct Shippers in the United States to Route Every Shipment

via

Pacific Far East Line, Inc.

AMERICAN PIONEER LINE

All Vessels of These Lines Dock at the K. M. A. ZA WHEI KONG WHARF

SHANGHAI SIDE

United States Lines Company

GENERAL AGENTS

17 THE BUND - - - - - - - TELEPHONE 15067

LETTERS From The People

Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of The China Weekly Review.

Cat Opium Addict?

To The Editor:

I had a small child cat. He was presented us by a neighbor a few days ago. I tied him with a soft cord. He meow-meowed all day long. He must be thinking of his mother, I thought. Really, he must get used to us by and by. Then my wife began to feel pity for the poor small tied animal. She suggested I untie him. I could not refuse my wife's demand just as some foreign friends would. So I could but untie him, though I would not hold with her opinion in my heart.

Early next morning, I found my cat was gone. All of us looked for him everywhere, but we found mothing. At last, my daughter Anne brought him back from an old widow's house which is behind my bedroom. He was sleeping in her "*Kang*" (a Chinese bed made with soil). Again I tied him in order to keep him home. But he was untied at night. Next morning I found him gone again. This time my wife went straight to the old widow's home to look for him. She fetched him back again from that old widow's "Kang." The third morning we found him again gone to that old woman's home.

I am very sorry my cat is unwilling to live with us. I wonder why he likes the company of that old widow. I know her home is not better than ours. The real reason, I think, must be my poor cat must also have the "yen for opium" (taste for smoking opium), so he likes to keep company with a man who smokes opium, for then he can smell the smoking of opium with his nose. It must be his very habit. For this old widow herself, her sister and her daughter-in-law all smoke opium. Each of them has the "yen." It is said of my neighbor who presented us this cat that his mother has the "yen." This poor animal, when a baby cat, smelled the opium smoked by his mistress and thus got the "yen" gradually.

That is why when this cat came to my home, he attempted to escape. He simply missed the smell of opium. You would be much surprised with this "opium yen." Here on the southern border of Kansu near northeast Szechuen, men and women, officers and *lao pai hsing*, old and young, most of them smoke opium. Moreover, somewhere, or rather in many places, opium is planted.

PETER YAO.

Lanchow, Kansu,
July 21, 1947.

Supplies Denied

To The Editor:

I boarded the s.s. Canobar a month ago from Korea for Macao. The typhoons caused the ship to run out of coal, water and foodstuffs and she was forced to take shelter in a Taiwan port, but the harbor police and gendarmes refused us permission to land.

Even two United States army officers in full uniform were confined to the steamer, where they stayed for 22 days without baths and decent food. The vessel was not given the needed supplies. She is still in Foochow. Please investigate.

YAP BAH-CHAM.

Hongkong,
July 25, 1947.

THE CHINA WEEKLY REVIEW

J. B. Powell
(Editor & Publisher, 1918-1947)

John W. Powell, *Editor & Publisher*

Assistant Editors
Marion Barney
Urii Sdobnikov
Elizabeth Purcell
Fang Fu-an, *Financial Editor*

Contributing Editors
Lin Wo-chiang
Charles J. Canning
C. Y. W. Meng
Edward Rohrbough
Ben Y. Lee
Leo Rissin
J. R. Kaim
Frank L. Tsao
Tseng Yu-hao
Shen Chien-tu
James L. Stewart

Correspondents
Jefferson Cath — *Canton*
Van Shih-ching — *Chengchow*
Tong Chun-cho — *Chengtu*
Chen Fu-sheng — *Foochow*
Duncan Lee — *Honan*
Mark M. Lu — *Kaifeng*
Peter S. W. Wang — *Kunming*
Isabella Mong — *Shantung*
S. E. Shifrin — *Tientsin*
Anna Ginsbourg — *Hongkong*
C. Y. Hsieh — *London*
Joseph P. Lyford — *New York*
Jacques Decaux — *Paris*
Ngiam Tong Fatt — *Singapore*
Hugh Deane — *Tokyo*

A. L. Meyer, *General Manager*
F. K. Chao, *Business Manager* Chen Pang-cheng, *Circulation Manager*

Index for August 2, 1947

Editorial Paragraphs

Gendarmes Vs. Police 249
Split In China? 249
Blood On The Flag 250
Armed Forces Merger 251
Watch The Japs!—II 252

Special Articles

China's Industrial Development And Her Natural Resources..... *P. C. C. Fang* 254
Where Did American Policy Toward Japan Originate?....*David Conde* 256
Chemical Fertilizers: Backbone Of Agricultural Rehabilitation..... *Bruno Kroker*..258
Yu Tsai Celebrates 8th Anniversary.....*Layle Silbert* 260
Martial Law, Reeduction, Deportation And "Thought Control"..... *C. Y. W. Meng* 262
An Earlier Failure .....*D. Y. Lanne* 264
Letter From Washington.....*Review's Washington Correspondent* 265
Aid Expected, Markets Quiet..... 266

Departments

Letters From The People 241
25 Years Ago 253
News Of The Week 267
What U.S. Papers Say 268
Who's Who In China..... 268
What Chinese Papers Say 269
Book Section: Reviewer Protests 270

	Three Months CNC$	*Six Months* CNC$	*One Year* CNC$
Shanghai & China Outports	65,000	130,000	260,000
China Outports (airmail)	81,000	162,000	324,000
Hongkong	70,000	140,000	280,000
Hongkong (airmail)	86,000	172,000	344,000
U.S.A. and other Foreign Countries	—	US$5.00	US$9.00

Price per copy: CNC$5,000.

Cable Address: "Reviewing" Shanghai **Telephone: 14772**

PUBLISHED AT 160 CHUNG CHENG ROAD (EASTERN), SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE, U.S.A. REGISTERED AT THE CHINESE POST OFFICE AS A NEWSPAPER FOR TRANSMISSION WITH SPECIAL MARKS PRIVILEGES IN CHINA.

Contents of previous issues of The China Weekly Review may be found in the "International Index of Periodicals," copies of which are on file in most standard libraries.

All editorials, text and other material in the weekly issues of the China Weekly Review is copyrighted under certificate of registration No. 9953 issued by the Ministry of Interior of the National Government of the Republic of China.

Destiny Dark

To The Editor:

Lt. General A. C. Wedemeyer's own five senses could probably tell him how public sentiment in this country towards his mission differs from that once shown Marshall. What makes the difference is obviously the popular and unchangable predilection against him that his arrival is the prelude to lengthened and embittered civil war.

The man in the street here is so fearful about the possible consequences of the mission that he becomes moody and nervous. But at times indifference may recapture him, as he realizes through the developments during the past year that civil war is the dark destiny of the nation.

Newspaper reports, contradicting denials by the mission itself, speculate that the mission is entrusted with the study of how much substantial military and economic aid from the United States ought to be given to Nanking. The aid, they say, is aimed at China's postwar recovery, and it will not be granted until necessary reforms are effected by the government.

In the first place, the public is concerned with putting a check to destruction rather than recovery. For how can China "recover" when her countrymen are forced to kill each other en masse? To help China rebuild herself you have to put a check to the demolition of what she already has, and before stopping all other kinds of destruction you must stop the speedy destruction of human lives; pay a visit to the battlefields and you will know how much it may cost American taxpayers to build graveyards for this wartorn country.

No official statement or newspaper report ever specified the thing America is insisting upon—reform. Someone hinted that this does not imply, as it once did, the inclusion of the Communists in the government. But nobody would believe that exclusion of the Communists would be tantamount to government reform. Marshall and many others have long been convinced that certain elements in the government form one of the main obstacles to China's peace and unity; to discard them, especially at present, is, however, as impossible as for the sun to rise from the west.

Some of these same dispatches mentioned modernization of the administration. Efficiency, however, is unlikely to be achieved through a "moral resurgence" of the officials. Nor is it possible for the underpaid civil servants, squeezed to impoverishment by the civil war, to work harder. Democracy and efficiency are twain brothers, reform will be effective only when it is both technical and political.

It is predicted that substantial American aid, once it reaches China, will bring about comparative social and economic stability in government-controlled China and make possible a stalemate between the two warring sides, leaving Manchuria and North China to Communist occupation. But how long will this situation last? When warfare is renewed, it will mean the end of the Chinese nation and not improbably the beginning of the end of the world.

It might be an idea for Gen. Wedemeyer to resume Gen. Marshall's effort at a time when he has one of the two factions at his complete disposal—a situation more favorable than any that has appeared so far.

J. TOYNBEE.

Nanking,
July 26, 1947.

MARK YOUR RADIOGRAMS *"VIA CGRA-RCA"*

RCA COMMUNICATIONS, INC.
A SERVICE OF RADIO CORPORATION OF AMERICA
(Cooperating with the Chinese Government Radio Administration)

CGRA

Sassoon Arcade, Nanking Road
Telephone 12558

RCA

CONNELL BROS. CO., LTD.
— Established 1898 —

Importers & Exporters

149 Szechuen Road, Shanghai Tels. 16833-2-1

Head Office: **San Francisco**

Branches:
New York Bombay Tientsin

Affiliated Companies:
CONNELL BROS. CO. (HONGKONG) LTD.
Hongkong and Saigon

CONNELL BROS. CO. (MALAYA) LTD.
Singapore and Penang

CONNELL BROS. CO. (PHILIPPINES)
Manila, Cebu and Iloilo

Missionaries

To The Editor:

I am a Baptist. After having read Rev. Patrick O'Connor's reports of religious persecutions in the "Liberated Areas" and his sermon against materialism, I want to say something which I have kept for years in my heart.

(1) Some missionaries, I should say, are not preaching the gospel only, but also capitalism and the power of their native countries. But in my opinion, the Christian Churches should know that socialism and peace are what China and the world want today. There is no reason for Christianity to stand on the rightest side always.

(2) It is entirely wrong for missionaries or churches to possess properties, especially lands. All "servants of God" should live by faith, not by riches.

(3) The churches should confess that all men are created equal, both rich and poor, yellow and white. It is not the "glory of God" for the foreign missionaries to live in luxury with several servants while Chinese preachers live by their mercies.

(4) The churches should take great care in choosing preachers. Many preachers are only knaves with excellent ability to flatter the foreign missionaries. Their morality is low. The seminary should not be a place of training obedient tools for missionaries, but the forge where true and worthy "instruments of God" are made.

LUBIN Y. L. TU.

Tangho, Honan,
July 24, 1947.

Puzzled

To The Editor:

Being a non-partisan as well as a reader of the *Review* I am reluctantly forced to admit that I have almost stopped reading the *Review* because I was so depressed by personal experiences and the general situation now prevailing in this country so well pictured and so kindly criticized by you. I felt suffocated whenever I thought of living this confused, unreasonable existence. In fact, I have so long repressed my sentiments that I can no longer restrain myself from giving vent to them.

As a civilian accountant, I am now employed by the U.S. Naval Port Facilities in Tsingtao. I have had this job ever since I was detached from the Shantung-Tsingtao Regional Office of UNRRA last year. Before that I failed twice in getting a job with either the Regional Offices of UNRRA or APA, which had then just started functioning, in the winter of 1945. It is obvious that my failure to obtain a position was due to my unqualified personal recommendations rather than my actual qualified knowledge. It is my strong belief that I would still be a jobless man had I not given up the desire to work with one of my government's organizations.

Just a few days after V-J Day, when I was still a business man, I suffered heavy losses which were the result of selling out all the stocks I had hoarded at the lowest price, worth only one-fifteenth of the highest price. Early this year I was foolish enough to have another lesson taught me when a few days after the promulgation of the Urgent Economic Measures by the Government, I voluntarily bought Government US$ Bonds (at 20 percent yearly interest). I paid US$1,000 in cash—the sum that I painstakingly saved during 18 months. Today, four months later, my loss on these bonds amounts to US$700. What a swindle this is! Frankly speaking, without the slightest wish to speculate, I lost all that money just because of the trust I put in my

555

The "555" clock respects no position: it will work at any angle. No matter how the minute-hand is shifted, you will soon find it perfectly adjusted.

Manufacturers:

China Clock & Watch Works, Ltd.

980 ZIKAWEI ROAD, SHANGHAI TELEPHONE 70350

中央航空公司

CENTRAL AIR TRANSPORT CORPORATION

Regular plane service to the following points, carrying Passengers . . . Mail . . . and Cargo.

Nanking	Tsingtao
Hankow	Tsinan
Chungking	Peiping
Kunming	Shihchiachwang
Sian	Amoy
Lanchow	Canton
Suchow	Hongkong
Tihwa	Bangkok

For Particulars, Please Apply to

Ground Floor, Astor House Hotel Bldg.,
2 Ta Ming Road, Shanghai

Telephones 40499 & 42255

government. The result is deplorable.

Regarding the prevailing situation, the Communists seem to be doing their best to sell their views forcibly to the people, But let's take a look at the Kuomintang, the party that rules the country. The majority of the public is not satisfied with it. This can be easily proven by the existing desperate political and economic situations. Bureaucracy and plutocracy are rampant and make their appearance in every corner of the country. Commodity prices are soaring higher and higher. Checks issued by the government are too frequently dishonored. But the worst point is that there are no adequate measures taken by the government, except irrelevant and useless statements announced at intervals to the public.

I know that pessimism is a shameful feeling, but the fact of the matter is that I am so puzzled by the existing situation that I am unable to keep pace with events. Really, I feel as if I were standing at a crossroads with limited time to spare and no proper directions on the signboard. "Which way is it?" and "What shall I do?" Both my exclamations, I am convinced, are shouted by many of my countrymen.

I would appreciate it very much if the above were given space in your magazine so that I may be able to get some views from other readers in other districts of the country who feel as if they were faced with a similar dilemma.

DONALD CHAO.

Tsingtao,
July 23, 1947.

Official Protection

To The Editor:

When I read the letter, "Honan Autocrat," by Mr. Chang, which was published in the July 19 issue of your esteemed *Review*, my eyes at once showed me the cruel and rough face of that corrupt official.

In China at the present time, there are corrupt bureaucrats throughout the land, collecting money from the public and treating people badly in a general sense everywhere. But we cannot see that the bureaucrats are punished or condemned; there is a reason: "Officials protect each other."

We live in democratic times, but we have been deprived of democracy not only by the Kuomintang, but also by its corrupt officials.

CHANG HUAI-YU.

Chungking,
July 24, 1947.

Doctor Of State?

To The Editor:

Being a person of no consequence, I was most surprised that my letter in the June 14 issue attracted the attention of friends and classmates of such eminent scholars as Professors Wen I-to and Li Kung-po.

I remain unconvinced why the UN should or would want to inquire into the past records of China's officials. As for the Control Yuan's official reports, suffice to say that they belong to the Control Yuan. Lin Yu-tang has always been rated as a "humorist" who bit and barked so much in his Analects that few high officials have escaped his sneering literary teeth. Honestly, the provincial home of Dr. Wang and Madame Wei does not interest me in the least.

My comments on Mr. Tsai Wen-kai's reasons for staying away from China are:

1. There are still many Nazis and Fascists at large all over the world. They could only be converted through a gradual process.

2. Employment in the government has no bearing in staying away from China.

3. I am no professor, have never been to America and, believe me, not connected with Mr. Chen Li-fu.

4. I know spitting is controlled in Hongkong.

5. We know there are "Reds" in China and there are "Hawaiian-shirts" during the summer.

Finally, may I advise Mr. Tsai to keep on reading his Thomas Paine and James Bryce and enjoy his peaceful sleep at Kowloon. We all know that general conditions in China just now do not yield peace and tranquillity. When peace and tranquillity are achieved, Mr. Tsai will be invited to come and stay in China.

Mr. N. O. Sang wrote like a man in fury. I am no dignitary, so he needn't pry into my job. If writing as I did could get me a "fat job," I would advise Mr. Sang to try himself. The allegation is both childish and absurd.

It must be great to be with Dr. Wang, Dr. Wei and Dr. Cheng in Paris of all places. I do envy Mr. Sang. Have we not heard of "Paris in Spring?" However, I am not interested in their "affairs"—either in gay Paris or Nanking—and I care less for their imposing degrees. I suppose Mr. Sang is a Doctor of State. But then, why should we grudge anyone such a degree as Doctor? And a Doctor is honored only when he acts like a Doctor, behaves like a Doctor and thinks like a Doctor. I still do not see the point of "a *public* inquiry be made into the *private* lives of Dr. and Mrs. Wei Tao-ming."

Regarding the *Wah Shiang Pao's* accusation, true, "it is the Kuomintang's obligation to affirm or refute the allegation." Personally, I don't believe silence is indication of admission, etc.

Finally, I thank Mr. Sang for remind-

"Via CGRA

CGRA-GLOBE
SHANGHAI-MANILA CIRCUIT
HAS BEEN REOPENED

File your Manila Radiograms at any CGRA Office

BUT FOR THAT BETTER
GLOBE SERVICE
MARK "VIA GLOBE" ON EVERY MESSAGE
GLOBE WIRELESS LIMITED
51 CANTON ROAD TELEPHONE 15036

Via GLOBE

ing me of Abraham Lincoln's wisdom: "You cannot fool all the people all the time." Is it not clear that Lincoln also implies, that with tact and discretion, "You could fool some people some time?" I respect Mr. Sang as an elder scholar, but I sincerely believe he is not cut out for the role of politician, diplomat or statesman. With deep apologies.

Y. L. KONG.

Chungshan,
July 20, 1947.

Volte Face Ahead?

To The Editor:

The *China Digest*, recognized as the Communist fortnightly in Hongkong, in its July 15, issue claims that, as the *New China News* reported, "In January, 1942, when America's military position with regard to Japan was disadvantageous, Sun Fo, by Chiang Kai-shek's order, issued his famous 'Separate Peace with Japan' statement." This statement, according to the charge, "was released by *Central News* in English but not in Chinese. It was clear that no Chinese reader would ever endorse such dishonorable remarks, since war against Japan had become sacred, and no Chinese would admit that national resistance should depend on foreign assistance."

The same Dr. Sun Fo, the Red organ hints, says now, under the Generalissimo's instructions, that unless America pays U.S.$500,000,000, the National Government may reconsider its foreign policy. I have read time and again articles and letters in your *Review*, warning Washington and Wall Street to be ready for the Kuomintang turning volte face against the United States and the British Empire at any minute.

Before World War II, the American government and publicists were fond of criticizing the English Tories for helping the Nazis and Fascists, who claimed to be the most democratic people in the world. In the long run, the British Empire paid for their leaders' mistakes. England has not yet recovered from the devastations caused by the Nazis, fostered by the Tories.

Comrade Stalin laughs and profits at the stupidity of the American warlords and money-bags who are obviously committing suicide as far as their China policy is concerned.

If Washington and Wall Street really mean business in preventing the Comintern's expansion, which is the counterpart of fascistic aggression, they should take an active part in aiding those elements who are now persecuted, imprisoned or exiled by Chiang Kai-shek and Mao Tse-tung alike. To let them deteriorate is America's greatest fault.

HO KEE-CHANG.

Hongkong,
July 23, 1947.

Pay Due

To The Editor:

Members of the Executive Committee of the Ex-S. M. C. Foreign Staff (Non-Internees) Association learn with much misgiving that a section of the members of this association are agitating, if they have not already planned, a demonstration to hasten payment by the Chinese Government of superannuation funds, pensions and other monies due to them by the former Shanghai Municipal Council under agreements known as Letters of Appointment and Terms & Conditions of Service.

The Committee desires to express its complete sympathy with members over the gross act of injustice that is being

done them in the matter of payment of these funds. Two years of patient waiting aggravated by seven months of irritating silence on the part of the S. M. C. Liquidation Commission constitutes, the Committee frankly admits, is more than sufficient cause for frayed tempers and an impulse for direct action.

Nevertheless, the Committee is strongly against the holding of any sort of demonstration and wishes to appeal to the good sense of members to abandon the idea altogether. We may be poor, but we are gentlemen.

The pity of it all is that, except for the fair-minded gentlemen of the press, not a single influential person or body has, so far, come forward to champion the cause of the former employees of the Ex-Shanghai Municipal Council in their efforts to obtain payment of their funds from the Chinese Government.

We certainly feel that we deserve a little more consideration than this from the people of Shanghai in view of (much as we dislike to have to say it for ourselves) the fine record of loyal and faithful public service we have rendered to the community, especially during the most dangerous and trying periods in the history of this cosmopolitan city. Furthermore, we may add, as a proof of good services rendered, a comparison of prewar times and today should be noteworthy.

In conclusion, we make this open request to the Liquidation Commission: tell us clearly and unequivocally once and for all whether the Chinese Government has the intention to fulfil its obligations towards the former S. M. C. foreign staff, as stipulated in that ill-conceived Cairo Treaty of 1943. A straightforward "Yes" or "No" will relieve us — 612 former S. M. C. foreign employees, comprising 19 nationalities, and their dependents (approximately 2,100 persons), of this painful and miserable suspense.

With heartfelt thanks to the "gentlemen of the press" and your good paper in publishing this letter and for all past assistance and aid.

"THE EXECUTIVE COMMITTEE"
EX-S. M. C. FOREIGN STAFF
(NON-INTERNEES) ASSOCIATION.

Shanghai,
July 30, 1947.

Parents Protest

To The Editor:

Please print the following letter to General A. C. Wedemeyer from The Union of Family Elders of Arrested Students of Shanghai.

We, family elders of the local arrested students, have the honor to submit you in the following paragraphs all that took place during and after the illegal arrest of the innocent students.

1. OUR POSITION. The whole human race is craving for Democracy now-a-days. It is the fundamental principle of your national spirit. Infringements on any citizen's rights would naturally arouse the attention of all citizens of the democratic world. We believe that your citizens will take all the more interest in whatever is not going on in the right track in any democratic government; therefore we feel we should lay before you the last unfortunate happenings to our innocent students and solicit your sympathy in upholding the rights of all republic citizens.

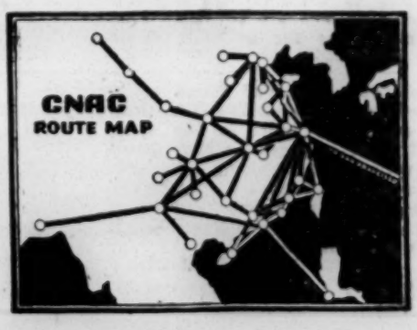
2. THE CAUSE OF THE ARREST. While all the rest of the human race is making its way to national peace and construction, we Chinese, after eight long years of life and death struggles against the Fascists, are still in a state of confusion—peace far out of sight. Life itself is menaced. That students with a keen

CNAC
The Pioneer Airline of the Orient

Yesterday A LINK between Cities
TODAY between CONTINENTS

EIGHTEEN YEARS of PROGRESS in servicing China's airways have made CNAC what it is today—China's leading airline!

● Their vast network of domestic and international flying routes links all major cities of China with important ports in the Orient and has now been extended to the United States of America.



For Passenger and Freight Bookings please call at

China National Aviation Corporation

20 Nanking Road (East), 8 Sassoon House Tel. 15757

or their Authorized Agents

Thos. Cook & Son Ltd. American Express Co.
Szechuen Travel Service China Travel Service Travel Advisers

COPY AND LAYOUT BY FARON STUDIOS 947.

desire for their safety of life and education have demanded reforms in educational administration and national unity and peace is absolutely legal: yet this has been made use of as the cause for their illegal arrest.

3. THE ILLEGAL ARREST. Five students of Dah Dong College were arrested on the 25th of May. On the 30th of the same month 52 students of various colleges and universities added to the number. Some 1,000 to 2,000 troops and police participated; machine guns obstructed the entrances of the students' hostels, which were further guarded by soldiers equipped with hand grenades. It had all the appearance as though a fierce battle was being raged: yet it was all against entirely helpless, innocent students. What we should not overlook is that those men were never given any warrant or written order to so act, nor were any notices given to the families giving proofs of the crimes that those students supposedly had committed. The tragedy is therefore utterly illegal.

4. ACTION ON THE PART OF THE LOCAL AUTHORITY AFTER THE ARREST. The local authority, after having illegally arrested 57 students, never delivered them to judicial authority for trial, but confined them somewhere outside the skirts of the town. Material treatment is better than that of criminals, but that those students are deprived of all bodily freedom and are faced to very grave conditions as to their future career can find no compensation in the little better material treatment.

5. THE FACULTIES' EFFORT TO HELP OUT THE ARRESTED STUDENTS. Beginning from the 1st of June the faculties of Fuh Tan, Chi Nan and Chiao Tung Universities unanimously suspended giving lessons one after the other as a complaint against the illegal arrest of the innocent students. They united with the family elders of the arrested students in lodging their complaint to the local authority. The indication given by the local authority was that those students would be released after the 2nd of June.

6. INTERCOURSE BETWEEN THE FAMILIES OF THE ARRESTED STUDENTS AND THE LOCAL AUTHORITY. On the 3rd of June all family elders of the arrested students without any appointment of convention met at the local government office and put forth their request. Mayor Wu refused to see those family elders, which caused the latter great unrest and suspicion. Upon receiving a notice from the local authority on the 5th, the family elders for a second time called on Mayor Wu. After some severe arguments all of which the family elders based on good reasons the Mayor gave the following promises, which eventually turned out to be sheer lies:

(a.) that those students whose cases are of an unserious nature will be released after the grand examinations.

(b.) that those whose cases are of a serious nature will be released in three months' time at the latest.

7. THE FORMATION OF THE FAMILY ELDERS UNION. The Family Elders, having experienced that Mayor Wu never kept his promise about effecting a release after the 2nd of June, began to doubt his sincerity to his promise made on the 5th of June, and formed a Family Elders Union so as to better facilitate the work for the release of the arrested students and obtain a reasonable and legal result.

8. THE WORK OF THE FAMILY ELDERS UNION.

A. *The Union's Intercourse With The Local Authority*: The Union visited the local authority six times and submitted the following suggestions and requests:

1. The Union refuses to acknowledge the discrimination between serious and non-serious cases fixed one-sidedly by the executive organization.

2. The Union requests the release of all illegally arrested students.

3. The Union requests the cancellation of the so-called "Black List."

4. The Union requests medical care of all wounded students.

5. The Union requests that those who applied violence on the occasion be severely dealt with.

These requests, however, were rejected by the local authority.

B. *Mission To Nanking.* Following the rejection of these requests the Family Elders Union passed a resolution to proceed to Nanking. The mission arrived at Nanking on the 16th; thereupon we visited the Executive Yuan, The Superintending Yuan, the Legistlative Yuan, the People's Political Council and the Education Ministry, and reported the case with the following result:

a. Reply from the Executive Yuan: "The case will be dealt with after examination, to be settled shortly."

b. Reply from the Education Ministry: "The case was not known. The Ministry will not disregard its duty, but in the interest of education will communicate with other ministries and authorities concerned and look for a reasonable solution."

c. Replies from other Yuans all assumed an indifferent attitude.

C. *Request For Judicial Summons and Trial.* Following the fruitless requests at

交 通 銀 行

BANK OF COMMUNICATIONS

(Established 1908)

Under Special Charter of National Government as an Industrial Bank

With Branches and Sub-Branches throughout China and Correspondents in all principal cities of the world: All kinds of Banking business transacted, including Savings and Trust business.

SHANGHAI BRANCH:

14 CHUNG SHAN ROAD (E. 1) Tels. 13504 & 15536

both Nanking and Shanghai the Union decided to petition in accordance with law for judicial summons and trial of the case. This is the right assigned to every citizen of a republic. We respect law and demand that the Government do the same. The Government should not and cannot one-sidedly determine the crimes of the arrested students. Neithr the local Government nor the Shanghai Garrison Headquarters have the authority indefinitely to confine and convict them. After requests for judicial summons and trial had been sent in, the replies from the Local Government and the Higher Court were that since those students were arrested under instructions from the Garrison Headquarters the responsibility lies with the latter, and the latter, taking Article 14 of the Martial Law as ground for their act refuses to send those students for trial. The Union is at present striving for justice.

9. SEVERE RELEASE CONDITIONS. After the 7th of July certain students of the so called non-serious group were released, but they had to accept very unreasonable and unduly severe conditions, comprising (1.) that the released student has to admit that he had committed the crime of having violated peace and order, which is in contradiction to facts, and (2.) that the released student has to leave Shanghai instantly, which is tantamount to exile; the student has to give up his or her studies. In the event of failure to keep to these conditions the guarantor will be instantly dealt with as a co-culprit and sustain all consequences.

10. OUR FINAL DECISION. We are unwilling to let our children, brothers or sisters innocently put on the coat of crimes, nor sacrifice their studies upon which their future career depends. We will not accept any conditions, but will be persistent in our demand for judicial trial and settlement.

Yours respectfully,
THE UNION OF FAMILY ELDERS OF ARRESTED STUDENTS OF SHANGHAI.

Shanghai,
July 29, 1947.

Farmers Bank

To The Editor:

A casual glance over the June 7th issue of the *China Weekly Review* revealed that the name of The Farmers Bank of China was more than once mentioned in the editorial paragraph entitled "'Time' and Chen Li-fu." This Bank was represented as being under ample control of Chen, and as being "used to squeeze the peasants most effectively." Barring the possibility of disseminating malicious libel, which we assure ourselves a journal of your standing could not have had the slightest intention to commit, we deem it necessary, however, in the interests of truthfulness, to avail ourselves of a few lines' space in your esteemed paper to correct a misconception which has most unfortunately occurred.

In the first place, this Bank has nothing to do with Chen Li-fu. Nor in any one of the latter's capacities, official or otherwise, has he any semblance of connection with this Bank. Nothing, therefore, marks a farther departure from the truth than to indicate that he is in any way even remotely related to this Bank, much less "in ample control of it." One of the four Government Banks, this Bank is especially entrusted with the task of developing the rural economy of this country, thereby to promote the livelihood of the peasantry. In carrying out government policies, this Bank, like all other Government Banks, has to take orders from the Joint Administrative Office of the Four Government Banks. To say that any single individual, whoever he may be, can exercise any sway over any one of these Banks, is to display a vacuous ignorance of existing conditions, save the mark.

It is not at all claimed that the activities of this Bank have left nothing to be desired. Since my inauguration as its General Manager in November, 1945, I, with the happy cooperation of a handful of select colleagues, have been taxing our brains and brawn to put the Bank on a sound and decent basis. Coming as I did from the commercial and industrial community, without a political background, I have consistently made it a point to run the Bank in a business-like way as detached as possible from political or partisan influence. While Rome was not built in a day, it is idle to expect the general lot of the Chinese peasantry to be bettered miraculously overnight. Mindful of our mission, we have been steadily and painstakingly laboring towards the set aim of improving the peasant life in China. Your devastating charge that this Bank "is used to squeeze the peasants most effectively" without meanwhile producing any concrete evidence to substantiate your statement, is as much unwarranted as it does a manifest injustice to the conscientious work of my colleagues and myself.

We do not for one moment suggest that your accusation embodies an intentional insult. But in view of the baneful effect it would bring forth to the good name of this Bank if the falsity were left uncontradicted, we feel obliged to lay down our case in the foregoing paragraphs in the hope that no invidious censure would occasion misunderstanding either here or abroad.

SUMIN LI,
General Manager,
The Farmers Bank Of China.

Shanghai,
July 30, 1947.

THE NATIONAL CITY BANK OF NEW YORK

ESTABLISHED 1812

SHANGHAI BRANCH: 41 KIUKIANG ROAD

TELEPHONE: 11500

THE CHINA WEEKLY REVIEW
密勒氏評論報
A Weekly Newspaper Established in 1917

The editorial pages present each week the opinions of the editor. The other pages of The China Weekly Review are written by the other members of the staff and the contributing editors who report and interpret the news irrespective of the views expressed in the editorials.

Vol. 106 Shanghai, Saturday, August 2, 1947 No. 9

Gendarmes Vs. Police

THE gun battle which was staged last Sunday night in the center of the city on the occasion of a minor quarrel between a gendarme and a policeman over movie tickets, climaxed a series of such bloody incidents in this city between two forces which are supposed to be enforcing the law. This latest incident has shown that the military police consider themselves the masters of this city, rulers who will brook no interference from any quarter, including the police.

Maybe to a certain extent the gendarmes are right in believing this. The perpetual martial law prevailing here (see *Review* of July 26, 1947) gives the gendarmes ample basis for such an assumption. If it is conceded that there is nothing unconstitutional or illegal in enforcing perpetual martial law, the military police apparently have a perfect right to shoot up anyone who stands in their way, even if the cause of the quarrel is a couple of movie tickets.

The gun battle in which several hundred shots were fired, did come as a shock, although not as a complete surprise. The incident is the direct and logical result of a longtime policy which holds that the military man is top dog and has no peer, and moreover, that the military are always right. Every time in the past that incidents have occurred between members of the armed forces and the civilian population, the latter invariably came out second best. We have yet to hear of a military man being "strictly" punished for overbearing and insulting behavior towards civilians, although the authorities just as invariably promise a "strict investigation" into the incident.

In this shooting with the police, the gendarmes merely assumed that the "cops" were only a bunch of lao pai hsing and had no more right for any back talk to a gendarme than a pedicab coolie. This is not to prejudge the result of the investigation now ordered, but the fact that the dead included more than half a dozen policemen and no gendarme is a palpable straw in the wind.

Besides, if martial law is invoked in this case the responsibility rests with the gendarmes to an even greater degree. If martial law was in force at the time of the shooting, it behooved the gendarmes the more to have maintained law and order instead of killing seven or eight policemen and wounding a dozen others (We do not mention the civilians who suffered in the affray).

This latest barbarous display of military insolence and disregard of their duties as well as their cold-blooded savagery, brings to the fore the question as to whether the people who are entrusted with maintaining law and order under martial law, are the right people to be vested with such responsibilities. In fact, the entire question of perpetual martial law should be probed by the higher authorities in Nanking to discover whether law and order cannot be maintained in a more orderly and lawful manner.

On A Note Of Triumph

City Council Satisfied With Road Repairs.—*China Press, July 27, 1947.*

Street Caves In Near Evening Post Offices.—*Ask anyone who fell in on July 27, 1947.*

Split In China?

WITH the arrival in China of the Wedemeyer Mission, a crop of rumors has started abroad, or rather, has been launched by numerous interested parties. Some of the rumors have been specifically designed to react on the market. To this category applies the assertion, reportedly still current in financial circles, that the United States will soon grant the Chinese Government US$750,000,000 in the form of a loan, without a definite project-by-project basis. This rumor may be either true or false; such rumors have been current before and they harm no one, with the exception of uncautious gamblers on the stock exchange.

There has arisen, however, a rumor of more serious aspect, and one which is also being bruited about in so-called liberal circles, to the effect that a split will soon materialize in this country. This split, the saying goes, will be a division of China roughly along the Yellow River, in such a manner as to create two Chinas: a Kuomintang China and a Communist China.

Further, according to the rumor in question, the United States will then proceed to organize the southern part of this China and will grant it extensive aid, both economic and military. The Kuomintang Army, which will naturally be to the south of the demarcation line, will be trimmed and groomed into a model fighting force capable of defending the "borders" of this particular China.

On the other side of the picture will be Communist China, it being assumed that the Civil War has now reached such a stage that it is impossible for the Central Government to recapture the northern provinces, which assumption perforce leaves the Communists roughly in the areas they now occupy.

Thus, two Chinas, antagonistic to each other, will start life for purposes unspecified.

In this connection it is remembered that a number of papers close to the Government have clamored for the implementation of the Marshall Plan in Asia, and in China especially. The argument ran as follows: Europe is not as important as Asia in the question of stopping the spread of Communism in the world. In fact, Asia is *the* place of decision: if the Communists are successful in China they will be successful in large measure in the entire world. Therefore, the Marshall Plan (which is interpreted by the papers in question as a weapon against Communism) should be carried out in China with greater vigor than in Europe.

If it is realized that Europe has split over the Marshall Plan, the demand for such a plan in China would give real basis to the rumor mentioned in the initial paragraphs. China would be divided into two blocs: the right and the left.

The *Review* has a tradition for supporting a free, democratic, prosperous and *UNITED* China. We take the occasion of the circulation of these rumors to underline our opposition to any such split of China into two permanently inimical "countries," as is apparently the intention of certain circles. Any plan, under whatever name or caption it may come, which tends to accelerate or aid this tendency should be vigorously rejected by all patriotic Chinese.

The Chinese people's struggle for their own form of government should definitely proceed within the normal and recognized boundaries of the country currently known as the Republic of China. Whoever may be winning or losing the present struggle should not serve as a cause to justify the dismemberment of China. China must remain whole, because the times of the warlords are surely past and the people of this country should not, and we hope will not, tolerate any separatist movements for political ends.

There must be no territorial split in China!

The Cardinal Virtues

IN the past, reveals Dr. O. K. Yui, taxation has often been unjustly and corruptly administered, the heaviest burden falling on the poor and the rich escaping. Through the capital tax the Government hopes to correct this condition.—*Reuter's.*

Hope has always been one of the cardinal virtues.

Blood On The Flag

LAST week many little wars in the Orient became one big war.

Nor was this war essentially a conflict between white men and brown or yellow men, or even between capitalist and farmer. It was—and will remain—a war between those who believe in force and greed as the ultimate arbiter of all things, and those who believe in a "middle road" approach to the problems of peace.

And, sad to relate, events have shown that in most cases moderation has been on the side of the uneducated, underprivileged native populations, while extremism has triumphed in the camp of those with centuries of self-government behind them.

The latest manifestation, although by no means the only one, is in Indonesia. There, despite the Linggadjati agreement which both Dutch and Indonesians had signed, the forces of the Netherlands Kingdom, without previous arbitration or even an attempt at mediation, launched an unprovoked attack on the semi-armed forces of the Indonesian republic.

Only a day or two earlier, General S. H. Spoor, commander of Dutch forces in the Indies, had tendered his resignation — not because he thought that by so doing he could avoid war, but because he was out to apply pressure on the moderates to cast all caution to the wind and embark on the riskiest undertaking ever contemptlated by Dutch colonial officials.

But once war began, van Spoor was in the thick of the war—in his own element.

Extremists on the Dutch side, long chafling at the bit of Dutch-Indonesian cooperation which would have meant an end to old time colonialism, had now won their battle. Their crusade, for "peace and order," had begun. And so more blood—Indonesian and Dutch blood—was spilled on the flag which represents a nation claiming to be an upholder of democracy.

* * *

OVER in Burma, too, it was a story of moderate versus extremist. There, U Aung San, premier-designate of an Independent Burma, was assassinated by reactionary chauvinists who thought neither of their foreign opponents nor of the will of their own people.

U Saw, former Premier, and leader of the Myochit party, reactionary rightists who had played cat-and-mouse with the British as well as the Japanese, engineered the most successful assassination in a decade. It was an assassination not primarily intended to rid the Burmese people of British rule—but to dispose of the only man who would not only free Burma, but free the Burmese from the yoke of the landlord and the tax-collector.

When U Aung San and his ministers slumped into the abyss of death, the extremists in Burma had won half the battle. They had destroyed a mighty voice that spoke not only for Burma—but for its underprivileged, misery-ridden people.

As in Indonesia, so in Burma, the moderates must fight back, must attempt to undo the half-victory that violence and reaction have already won.

* * *

AND in India too, the forces of extremism and reaction had reasserted themselves. All over the land, wherever wealth and power and unholy title could be claimed, unprincipled scavengers prepared to pick up what they could from the cadaver of a disunited India. The princely states —left in a vacuum by Britain's master plan that is no plan at all but merely a recognition of medieval disintegration and disunity—readied for the conquests that must follow as extremist reaction sweeps the land in the wake of the "liberation through new chains" that will follow the establishment of an India that will be no India.

India's moderates—the Gandhis and Nehrus —had asked for one India. Out of that one India

they could have fashioned a new state with a brand of moderate socialism that would have raised the peasant from his agricultural bed of tears and suffering to a new role in his own country and the world. But the extremists, with no eye to the needs of the masses, but only to the dictates of power and self-aggrandisement had won the day.

And they will continue to win the day if a last-minute change is not made in what promises to be the greatest invitation to wholesale massacre ever made in the history of mankind.

In Indonesia and Burma the storm has come, but at least the moderates have been able to hold their own—and with justice, too. But in India the moderates are beginning to lose ground, and as they lose ground the storm draws nearer. This is the lull that must precede the final outbreak, that must break India into more divisions, political and economic, than any man-made maps can show.

In India it will not be blood on one flag, but blood on many flags—and it will be blood shed in vain, for it will be legal shedding of blood, as legal as the acts which will end unity and seat disunion on the throne of the sub-continent.

All this could have been foreseen. All this could have been avoided—if only the relatively advanced western states had taken more moderate course earlier, in solving the "Burden of the White Man."

Instead, extremists gained control of the national policies of the colonial powers. To them there was no middle course, but only one course—the exploitation of the native. And the natives, to fight fire with fire, had to turn to extremist forces in order to throw off the yoke of foreign oppression.

It should have been for the west to lead in a policy of enlightened change from colonialism to independence, and from exploitation to sufficiency for all Oriental nations and peoples. The west refused to take that course. In so doing it not only refused to spare the native populations which came under its control, but the youth of western nations who would have to die in tropical jungles for the greater profit of reactionaries at home.

If not all native movements for reform and freedom have been perfect by western standards, then how much are they to be blamed if they have committed errors in their first blow for independence after centuries? The natives have had, in a few years, to undo the faults of centuries. That is why errors were committed.

But what of western extremists who, after hundreds of years, are still out to use the same tactics against the same people for the same end—power and wealth? What of them, of those who had gained empires by force and now wish to retain them by the same means?

It is western extremism and reaction which has bred eastern extremism and reaction. And even when those in the east who desire a peaceful transition from old-world rule to new-world freedom have sought the middle course, western extremism has attempted to thwart them and browbeat them into submission.

Not until the west can pursue a road of moderation, of understanding, of enlightenment can the world be spared from another blood bath. Not until the western powers plot a new course for themselves can they hope for—or have—anything but guerrilla warfare, eternal hatred and more blood on the flag.

Armed Forces Merger

IN the past few weeks there has been increasing criticism of the merger of the United States armed forces, a measure which would weld the army, navy and air force into a single military establishment. The measure, passed by Congress, is reportedly awaiting presidential signature.

The criticism of the merger has been voiced by so-called liberals and progressives, and a number of military men. Prominent among the former is Frank Kingdon who in a recent article in the *New York Post* asserted that the bill, when it becomes law, would change the administration's charter and affect the liberty of American citizens. According to Kingdon, the "super department" entrusted with maintaining the security of the United States will administer at least one-third of the national budget, and in this manner will be able to exercise more power than all the other executive departments combined. It will overshadow the State Department in questions of foreign policy, the Department of Interior in the handling of national resources, the Department of Commerce on questions of industry and trade, and the Justice Department in the matter of establishing standards of security in Government and private enterprise. "The bill marks the climax of a campaign to force our national life into the mold of the militaristic mind," Kingdon asserted. Besides the foregoing, he believes that there is a good chance that industry will come under regimentation of the military in a few months.

Being far removed from the scene of action, we are not as well informed on the goings on in the United States as Kingdon, for instance. But in recent days there have been numerous indications that the military are beginning to exert an ever greater influence in American civilian and national life.

What is considered, for example, as a great achievement, is the report that General Marshall has been adopting a "military approach" in the reorganization of the State Department. Hasn't the country been managed well enough in the past 170 years without the application of military strategy and tactics in foreign policy? The fact that (as reported by *UP* from Washington on July 27) "army tactics," "field commanders" and "high command," are becoming popular concepts in the State Department, is not pleasant reading.

The way foreign policy is actually being shaped by a military commander is best illustrated by the virtual autonomy enjoyed in Japan by General Douglas MacArthur. He also is said to be a "possible dark horse" for the Republican presidential nomination next year. General Lucius D. Clay, in Germany, although obviously not as powerful as General MacArthur, is also somewhat

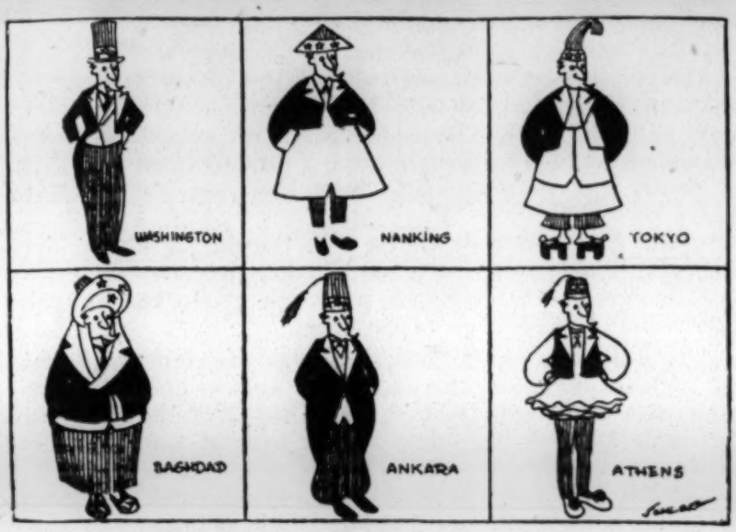
of a potentate in the combined Anglo-American zone of occupation.

There is a general trend toward the militarization of American science. Apart from the question that the development of atomic energy for industrial purposes cannot be effected without the consent of the military, the report that post-war Army and Navy financing of science is about 20 times the prewar university rate and several times the present industry rate, is disturbing. *Business Week* noted some time ago that "federal support of pure science is today almost completely under military control. Its general direction is being set by military needs; its finances are coming from military funds." The War Department revealed that it was planning to utilize 100 percent every scientist and engineer in the United Staes.

The trend in question was criticized by Dr. Philip Morrison, physics professor at Cornell University, when he said that the control of science by the military was retarding scientific progress and above all that American science will appear to the world as the armorer of a new and more frightful war. Scientific circles are split on this issue, part being lured by the high incomes offered in this field, and part declining to work for a science which they consider fettered by military controls.

It is a happy event that peacetime conscription has not been adopted as yet, but there appear to be some people who think this a marvellous idea. Although the bill has been shelved for the moment it is our guess that the measure has not been rejected altogether and is bound to crop up in due course.

On the whole, as reports indicate, a very unfortunate trend is in evidence in the United States which if not counterbalanced by democratic action on the part of the people is liable to end up in the predominance of the military in every aspect of American life. The merger of the armed forces is of itself a wise measure in that it ensures the smooth operation of defense in an emergency, which in the 20th century is liable to arise faster than ever before. But if viewed in connection with the penetration of the military mind into the sphere of science and foreign relations, it cannot be considered a healthy sign.



Summer Styles For Uncle Sam (1947)

—The Nation.

Watch The Japs!----II

PRACTICALLY all of East Asia has suffered from the brutalities of the Japanese and for this reason the peoples who have been under the Japanese yoke are vitally interested in seeing that Japan is thoroughly democratized and demilitarized. However, today we see SCAP, in sight of the State Department, supporting and even actively aiding the regeneration of a Japan which is neither totally democratized nor demilitarized. We agree with the *Ta Kung Pao* that by August 15, China will have lost the Sino-Japanese War. Now, as an Allied diplomat said in Tokyo, "It remains to be seen just who has WON the war."

It is really surprising and discouraging that the voices of those who led the millions of Asia in their struggle against the Japanese are silent today, at a time when it is imperative that an organized protest is made against the renascent Japanese menace. Neither do we hear anything from the Chinese Government, which has remained strangely mute while industrialists and newspapers cry their opposition to the resumption of trade with a non-democratic Japan.

Is it to be understood that the Japanese have been so successful in their democratic pantomime?

Even the most cautious news agency reports from Tokyo reveal the highly suspicious goings on in Japan. Here are a few items, taken at random:

1) The First Cavalry Division reconnaissance party found a score of concrete lined sites from which in 1944 the Japanese army launched balloons with intent to blast the United States with explosives. The party discovered hydrogen generating plants, inflating platforms and other facilities. The colonel who led the party said: "A high degree of scientific skill and engineering is shown by masterful planning and shrewd military ingenuity."

2) Underground fortifications, 130 miles from Tokyo, covering an area of 80,000 square yards—the Imperial Headquarters—turned into an "orphanage."

3) The former Nakajima Aircraft Company, located underground in a huge quarry, was converted to "peaceful purposes" as a "research institute."

4) On June 18, 2,800 tons of coins valued at US$1,000,000 were discovered at Nagoya, during an inspection tour by Far Eastern Commission delegates. (And not by SCAP).

What do the foregoing items of "small significance" indicate? In the first place, that the Japanese are not cooperating with SCAP to the extent General MacArthur has led himself and the world to believe. In the "believe-it-or-not" category goes the "discovery" two years after V-J Day of the balloon launching site. Maybe the democratized Japanese Government "forgot"

about this little establishment now that it has "renounced" war?

Above all, such brief items, on which official SCAP monthly reports do not dwell too exhaustively, bear witness to the assertion that Japan has not been demilitarized. Who has not heard of the "farms" organized by the Japanese Government where hundreds and thousands of high Japanese officers peacefully graze, biding their time? When occupation forces go home who will prevent the Japanese Imperial Staff from moving into the underground caves which have now become an "orphanage?" We doubt the ability of the orphans in this respect.

Peter Kalisher of *UP* reports from Tokyo that Dr. Herbert Evatt and General MacArthur are "in complete agreement," following their recent talks. But in the same report we discover that "Evatt is believed opposed to uncontrolled Japanese foreign trade as corollary to military expansion," while MacArthur "has been one of the strongest advocates who believes that the Japanese trade is the only means of bringing about the country's rehabilitation and saving to United States taxpayers." Obviously, "in complete agreement."

Further, the dispatch declares that Evatt feels that the "democratization of Japan has not proceeded as quickly or as thoroughly as SCAP headquarters claimed." This is something a lot of people outside of SCAP feel. W. MacMahon Ball, British Commonwealth representative on the Allied Council for Japan, also feels that way. The feelings of the Chinese representative have not been recorded. Kuzma Derevyanko, the Soviet representative, being the Communist propagandist that he is, upon learning that not a single cho of land has been sold to the Japanese peasants to date, drew the ridiculous conclusion that the land reform was not going at all well. This naturally drew forth vehement denials from George Atcheson, Jr., who belongs to a more realistic school of thought. Atcheson said he could not understand Derevyanko's charges, considering that the land reform is "well under way." Atcheson said he thought the land reform was successful because there "had been no widespread increase in bloodshed, no liquidation of peasants or landlords." Well, neither has there been any land reform. Optimistically, Atcheson capped this with: "There is not much more to do here by way of directive or political and social program."

* * *

IT was upon the initiative of the United States that the Council of Foreign Ministers was created to handle preparatory work in the drafting of peace treaties for defeated nations, including Japan. The so-called "veto" has been much criticized, but now that the time has arrived for drafting a peace treaty for Japan it should be in China's interest to adhere strictly to the agreement on the Council of Foreign Ministers which is based on the principle of unanimity of the great powers.

Should the peace treaty be drawn up by a conference of 11 nations as is currently suggested, and the principle of unanimity discarded, such a procedure would be against China's best interests in that it would give a country such as say, New Zealand, which had not suffered from Japanese invasion, a voice equal to that of China. The Netherlands, for example, would have an equal voice with China; Canada would have just as much say as China, etc., although it is clear that China, as the country which suffered the most from Japanese aggression should not be placed on a voting par with New Zealand.

The only way to guarantee the interests of China in the Japanese peace treaty is the unanimity of the great powers over every aspect of this important document. If the security of Canada is secured, but not that of China, there will be no peace in the Pacific. This point of view has already been advocated by China's leading paper, the *Ta Kung Pao*. "China should preserve the veto power," the paper said, and it is difficult to disagree with this, unless of course, China's future safety is ignored.

25 Years Ago In Millard's Review Of The Far East

Loan

August 5, 1922.

The CNC$96,000,000 loan inaugurated by Liang Shih-yi just before the recent change in government at Peking and completely issued some three weeks ago by the present cabinet is quoted on the Peking market at $33.90 for a $100 bond. Some of the recently refunded foreign obligations of the Chinese government railways are said to bear interest ranging from 12 to 15 and we have it upon good authority that the Chinese bankers are charging the Ministries of Communications and Finance interest rates up to 20 percent. When we read of these facts, we are reminded of General Wood's definition of a stable government: "A stable government is a government under which capital seeks investment at reasonable rates of interest."

* * *

Russia

There is no question but what the situation now existing in Russia is having an influence upon China. Because of the wide distribution of property in China, this country has always been considered safe from bolshevism, but, regardless of the name, unquestionably there is some mysterious influence at work that is causing the political and economic institutions of China to break down.

10 Years Ago In The China Weekly Review

Emergency

July 31, 1937.

In a circular order issued to all American nationals in Peiping July 26, Col. John Marston, Commandant of the U.S. Marine Guard at the American Embassy, announced that in case of emergency a "warning signal" will be given. The warning, it was stated, will be hoisted atop the radio mast at the U.S. Embassy compound, with blue flag and a white square in the day time, and white and red lights at night. Upon noticing such a signal, it was explained, all American citizens must immediately make their way to one of the seven designated assembly places.

* * *

Appeasement

The North China authorities have imposed a ban on the sale of the following Chinese periodicals: *Voice of China, Voice of North China, Anti-Japanese Front, Northeastern Knowledge, Anti-Japanese General, Road of the Masses, Selection of National Salvation Essays, San Min Weekly & Monthly, Kweilin Monthly*, and 50 others, a Peiping message to *Sin Wan Pao* stated.

China's Industrial Development And Her Natural Resources

P. C. C. FANG (房秉祥)

AFTER the victorious conclusion of the war, the most important task that lies before us is, doubtless, national reconstruction. Economically speaking, first of all, steps must be taken to commence our industrial reconstruction work as soon as possible. For the living standard of the people cannot be raised nor can national defense be strengthened unless and until our industry is developed to a certain extent. The following is a brief review of the development of China's industry in the past, its present condition and future prospects.

I. History Of Development

China's modern industrial development began shortly after the end of the Sino-Japanese War of 1895. Its inauguration was bought about by the awakening to China's urgent need for modern-time industries by the Chinese official capitalists who had been encouraged by stimulations from abroad. When the National Government was inaugurated, after the completion of the National Revolution, the Chinese people became fully aware of the importance of industry to a nation. Strictly speaking, therefore, China's modern-time industrial development commenced with the inauguration of the Republic of China in the year 1911, and its history—less than 40 years—may be divided into four periods:

(1) The first period (1911-1921). This is the World War I period, when imports from the United States and Great Britain were suddenly reduced, a sharp rise in the prices of industrial products was registered, and silver prices followed suit. In addition, there was simultaneously a boycott movement against Japanese goods in China. These were the major factors which made it possible for all branches of our native industries not only to make big profits, but also to develop and progress. New industries appeared one after the other, the most remarkable being the spinning and weaving and electricity generating industries. This was the period in which our industries were most thriving. But shortly after the war was over, the other industrialized countries recovered gradually and began once more to impose economic pressure upon China. Our short-lived industrial prosperity thus vanished in an instant.

(2) The second period (1922-1928). In this period our national industry was almost entirely at a standstill. With the extraterritoriality and concessions in China at their disposal, foreign countries began to establish and operate industrial enterprises on their own account in almost all the big cities in China. On the one hand, they not only obtained our raw material but also made use of our cheaper labor, and on the other hand, large quantities of their home-made goods were sold in our markets. At the same time the political situation in China was restless. In the earlier days of this period the nationwide civil war had been going on unceasingly, and later the Northern Expeditionary Forces started, with the result that both the North and South of China were involved in the war. These factors dealt a heavy blow to our national industry.

(3) The third period (1928-1937). After the 1928 armistice of the civil war, all branches of the new born industries recovered. And upon the outbreak of the Mukden Incident in September 18, 1931, all the people from responsible authorities down to the rural villagers, keenly conscious of the imminent national crisis, became fully aware of the pressing need for national salvation. As a consequence, political stability was achieved, and some progress was made in various branches of our industries. The reconstruction work accomplished at that time included the expansion of communication enterprises and reforms in currency, both of which contributed considerably to our industrial revival. This was the period in which the greatest strides were made in China's industries.

(4) The fourth period (1937-1945). China's domestic industries in this period were all war-time industries. With the exception of the state-operated factories there were about 500 factories which had been removed to the interior from the occupied areas. They were principally chemical, machinery, textile and metal industries. Early in the war, these industries were prosperous to some extent. But, owing to an accelerated rise in commodity prices accompanied by an increase in production costs and a reduction in profits, these privately-owned industries soon began to find it very difficult to carry on their operations.

II. China's Industries

It is generally recognized that the victorious conclusion of the war has afforded us a very good opportunity of effecting industrial reconstruction. But, as a matter of fact, in addition to the seriousness of the general situation, there are still a great many difficulties confronting us. In the past 12 months few new factories have been established, and a large number of the old ones have closed down, while nearly all the rest are in a very precarious position. The reasons for the existence of this state of affairs may be enumerated as follows:

(1) The Effect of Inflation. To what extent has our currency inflated? The answer can be found only in the fluctuations of the commodity prices which have already gone up to the extent of 15,000 times the pre-war level. According to the law of industrial production that "the commodity price changes with its cost," i.e., if the cost rises, the price will rise too, it seems that increased cost has nothing to do with production. But, in reality, if inflation goes too fast, production is bound to be affected. Superficially, the factories are all making big profits, but practically, their scope of operations is growing smaller day by day, and sooner or later, they will find it no longer possible to carry on their business unless they engage in material hoarding and speculation.

(2) The Tax Policy. Nearly all taxes and levies have been imposed for the purpose of increasing revenue for the Government, and little attention has been paid to the protection and support of our national industries. Now the cost of our native goods is surprisingly high, and comparatively speaking only small quantities of these goods are sold in the markets. In view of these facts, it is not considered an advisable measure to levy so many different forms of commodity taxes—which amount to huge sums of money—during such a depression.

(3) Shortage of Capital For Industry. The present acute capital shortage for industry is generally considered fatal to our national industries. The existence of this phenomenon can be ascribed to (1) the depreciation of our currency and (2) the fact that speculation yields bigger profits than either legal industry or busines. Furthermore, industry is the most sluggish and the slowest kind of enterprise in which we can invest. Coupled with this, industrial production cannot be handled so freely as business marketing. It also accounts for the fact that only a very limited amount of capital has been invested in industry under the temptation of the enormous interest rates on loans prevailing throughout China.

(4) Declining Markets. Since the resumption of shipments to China, foreign goods have been flowing in in huge quantities. Because of their lower prices, these goods have been commanding a ready market everywhere in China, while the Chinese native goods have been in an ever declining state. The result is that most of our industrial enterprises are now at a standstill, and a large number of them are in liquidation already.

The above mentioned are but a few of the many general causes, while the fundamental cause is doubtless the widespread civil war, which is answerable for the presence of such

an unfavorable situation. It is earnestly hoped that the Chinese people as a whole—all political parties as well as non-partisans—will settle their differences and stop fighting as soon as possible so that we can engage in our national reconstruction work in the shortest time possible.

Although China's industry has a history of about 40 years, yet there is little heavy industry worth mentioning. It is the cotton spinning and weaving industry that is holding the most important position so far as light industry is concerned. The factories occupied and operated by the Japanese during the occupation period have all been taken over by the China Textile Corporation, and a great many of the private-owned factories have also resumed operations.

III. Natural Resources

The successes in the modern-time industrial development are attributable to motive force. For instance, sufficient supplies of coal, iron, water, and electricity are the prerequisites of industrial reconstruction. China has vast terrtiory and is very rich in natural resources, especially the various kinds of minerals. Once concrete steps are taken to open such mines step by step, then the future of our native industries will be very bright. Reliable information on China's mining situation is given in a general way as follows:

(1) The Northeast District. It is universally known that the Northeastern Provinces are richly stored with all kinds of mineral resources, for the seizure of which the Japanese had planned long before the outbreak of the Mukden Incident in 1931. It is, therefore, no wonder that as soon as the Japanese captured these provinces they began to make every effort to map out concrete plans for opening these mines. At the same time no effort was spared in developing the industries there. In this connection, as a matter of fact, they achieved wonderful success. For instance, the South Manchuria Railway Corporation, coal and iron industries, the steel works, the iron works, the machinery works, the oil pressing factory, etc., formerly established and controlled by the Japanese, are all on a large scale. The production of iron in Fu-Shun, Peng-Hsi, and Liao-Yang and the iron production in An-Shan and Chang-Kung represent the highest percentage as compared with the same kinds of minerals produced in all the other parts of China. Statistics made by the Japanese and the puppet government in 1941 reveal the following figures: coal, 23,810,000 tons; iron, 1,312,000 tons; steel, 1,500,000 tons. According to estimates made by the Japanese, the oil rocks deposited in Fu-Shun alone amounted to 5,400,000,000 tons, and above the extensive and successive coal layers are plenty of oil rocks—ranging from 100 to 170 meters in thickness—which contains 5.5 percent of oil on an average.

As regards light metals, large quantities of magnesites are produced in both Yingkow and the regions near Hai-Cheng. Hard fire clay is produced in Peng-Hsi, Chefoo, and Wu-Hu Tsui. The production of lead, zinc, copper, gold, silver, cement, soapstone, and limestone in the Northeastern Provinces is also very large. It is evident, therefore, that the Northeastern Provinces are not only suitable for developing China's heavy industry but also fitted for promoting her light industry.

(2) The North, East, and South of China. Considerable amounts of different kinds of coals are produced in Kaiping and Luan-Hsien in North China, Fang-Szu along the Kiao-Chow-Tsinan Railway line, and Cheh-Hsien and Chia-Wang along the Tientsin-Pukow Railway line. They are not merely abundant in quantity but also good in quality. In addition, the coal fields in such regions as Lo-Hsien and Cheh-Hsien in the southern part of Shansi and those which are located at the base of the Tai-Hang Mountain in the province bordering Hopei, are all very well known coal producing centers in North China. Both iron deposits and its production are very ample there. For example, Suan-Hwa and Lung-Kwan in Chahar, Luan-Hsien and Chin-Ching in Hopei, Chin-Ling Cheng in Shantung, and Hsin-Yang in Honan are all famous for their iron production. Since both coal and iron in North China are so abundant either in stock or in production, North China is practically an ideal place for heavy industry to be developed, while in the south, east, and west all the prerequisites required for developing light industry are present. With fertile soil, north Kiangsu, Szechuen, and Hupeh have all long since been well known as cotton producing regions.

If efforts can be exerted to promote the production of cotton industry and plant American cotton in all these regions, China's future textile industry is bound to be prosperous. But owing to the damage done to the silkworm and silk of Chekiang during the occupation, the silk industry in China is in a state of depression. However, if silkworms are improved in kind, new methods of silkworm feeding studied and adopted, and the best use made of the opportunity, then it is not an exaggeration to say that Japan's pre-war world silk markets can be superceded by China's in time.

(3) Oil Fields in Northwest. There are many oil fields in the Northwestern Provinces. The oil deposits in the Lao-Shih Miao oil field, the Wu-su oil field, the Yung-Tong oil field near Yu-Men in Kansu province, and those in the oil fields in Shensi and Jehol are all very abundant. Besides these, the salt well fields situated in such regions as Pa-Hsien and Chiang-Ching in the east, Lo-Shan and Chien-Wei in the west, Jen-Shou and Tze-Chung in the north, and Tzu-Liu Ching and Kung-Ching in the south of the province of Szechuen, all have huge quantities of rock oils, and it is expected that their production will be very large. Immediate efforts should be made in pumping and sinking these wells instead of letting them lie waste.

(4) The YVA Plans. The mines mentioned above are some of our natural resources, which may be at the same time regarded as the main motive power upon which our industrial development depends. During recent years hydraulic electricity generating enterprises have been operating successfully in all the highly industrialized countries, where comprehensive plans are made from time to time for the utilization of rivers, lakes, streams and any place where water is running as motive force to generate electricity. While in China, to date, there is not yet such an establishment that is worthy of mention. Now, the YVA Plans—plans for the Yangtze River water power electricity-generating engineering works—are expected to be the forerunner of China's future hydraulic electric power enterprises. The chief engineer, in connection with these plans, has said "When these plans have been carried out to the fullest extent, some 1,000,000,000 kilowatts of electricity can be generated, and simultaneously China, an industrially backward country, will, for the first time, derive some benefit of industrialization." This is indicative of the bright future of the industrialization of China.

In conclusion, it is apparent that although China's industry has had a history of about 40 years, owing to the continued unstable political conditions and the unbroken economic aggression imposed upon her by the imperialist powers, it has not reached the stage where it can be regarded as sufficiently developed in the proper sense of the word. Since the end of the war, all of our lost territories have been restored to us and all the special privileges the great powers enjoyed in China in the past have also been abrogated, now is doubtless the best time to carry out our industrial reconstruction programme. It is a sad thing, however, that a widespread civil war started almost immediately after the end of the world war and has been spreading all the time since.

After eight years of strenuous armed resistance all our last territories were at last restored to us, but now most of these territories are involved in the great conflagration of the civil war which is still going on unabated. Overburdened with such heavy war expenses, China's finances are becoming exhausted and at the same time economic conditions in China are very unfavorable. This is the reason why a very serious industrial crisis is confronting China today. It must be borne in mind, however, that in the past six months an acute coal shortage has been felt nearly all over the world, while, at the same time, mine deposits, especially coal, in China are abundant. It is, therefore, evident that if we can avail ourselves of this invaluable opportunity and work these mines as much and as early as possible, the future of China's industry will still be bright.

Where Did American Policy Toward Japan Originate?

DAVID CONDE

Tokyo.

AMERICAN policy toward Japan is committed today to restoring the economy of the recent enemy and assuring her "traditional markets." This is being done in order to make Japan "pay for the cost of the Occupation," and so that she can again become the "workshop" of Asia. The emphasis is no longer on assuring that Japan will never again menace her neighbors, instead it now is bent on hastening the day when Japan can "take her place" in the world's economic and political life.

Undoubtedly, this policy-reversal toward Japan is now a part of American world-planning toward the Soviet Union, but *where* this policy originated is difficult to assess.

The carefully-censored Tokyo army newspaper "*Stars & Stripes* stated on February 23, 1947:

"The success of his (MacArthur's) resistance (to the Soviet Union) had far-reaching repercussions and eventually led to a right-about-face on the part of the United States toward Russian aggression in both Europe and Asia."

This statement was made by Professor Kenneth Colegrove, of Northwestern University, a former high official in SCAP's Government Section, who came to Japan to "help draft the new Constitution" and who is one of the few Americans "honored" with an audience from Emperor Hirohito since the Occupation began.

MacArthur The Architect?

This statement, in effect, says that General MacArthur is the real architect of President Truman's present policy toward Russia. If this is true, future historians will find a fruitful study in determining the degree Japanese business and governmental leaders contributed toward this changed policy.

From the very beginning of the Occupation it was clear to observers in Tokyo that Japanese leaders had plans for their survival and hopes of softening the blow of defeat. These plans brought forth mass entertainment for the Occupation forces toward the end of creating an atmosphere of goodwill where propaganda would be well received. Disarming the Americans with their charm, Japanese leaders sought to prove that Russia was the real enemy and that Japan had been mistaken in going to war with the United States.

In part, their propaganda was a revival of the pre-Pearl Harbor story: "Japan was not fighting China, it was only eliminating the communist-bandits from China."

As the Occupation proceeded, new themes were added until they included glib explanations for retaining the Emperor as a "stabilizing influence," the need of food imports to prevent disease and "unrest," the necessity of creating a special "Japanese-type" democracy under the Emperor, and of proving that Koreans, Formosans and Chinese were a menace to law and order in post-war Japan. This and the "excesses" of Japanese labor were used as a justification for an enlarged police force, it being said: "President Truman called out the troops to end strikes, didn't he?"

"Export Or Perish!"

For the survival of the "race" it was repeated that Japan must have political and economy unity and that this was "no time for political argument." It was said that Japan must "export or perish" as Japan was a small land with only a limited area available for cultivation and Korea, Manchuria, Formosa and Saghalien had been "taken" from her.

These and other themes were told the Occupation forces whenever and wherever they could be reached, in conversations, speeches and newspapers.

Preparations for reaching these Occupation forces began even before these forces came to Japan. They began during those crucial days while the Japanese government stalled the arrival of the first echelon, between V-J Day—August 15—and September 3, 1945. When the victors arrived in Japan the greatest cleanup job in history had been accomplished, the hate-propaganda had been scraped from the streets and the walls, the war slogans had been taken down and much incriminating evidence had been destroyed. This two-week cleanup period later paid tremendous dividends, for it was in this time that Japan was made to look the peaceful, attractive picture-postcard land of prewar days. It was true that the bomb-scars still showed, but if anything they evoked sympathy or gave a distorted picture of weakened power.

Upon entering Japan the Americans found the recent enemy a very docile person who wanted to forget the past unpleasantness and to go back to the good old prewar days when "we were friends."

"We play baseball," they said. How is Babe Ruth doing?" Or they spoke of their love of American movies, inevitably adding that Charlie Chaplin once came to Japan and he "liked sukiyaki."

"Tojo Was Baka!"

"Tojo was *baka*" (crazy), they said. Everything was Tojo's fault.

Soon clubs were formed to entertain the visiting Americans, where the crossed flags of Nippon and the United States were displayed, symbolizing the new allies. Geisha parties and sukiyaki dinners were arranged by Foreign Office and other officials, and business leaders invited important members of the Occupation to their homes and to the country for weekend parties. University clubs were organized and Japanese and American graduates of Harvard, Princeton, Michigan, Columbia and other schools got together to recement old school ties. Mr. Asano, one of Japan's great industrialists, profited greatly from Japan's aggressions, became very active in his Harvard University Club, when peace finally came.

Other "clubs" like Akira Ando's, were formed to provide free women and liquor to high Occupation officials. Ando, whose connections led close to the Imperial Throne, was an active "fight Russia" propagandist who toasted the unity of American-Japanese arms.

Who paid for all this is not clear but businessmen frequently said "they wanted to do something for the Occupation forces." Even now, the owner of the Suntory Distillery holds "open house" at his home near Kyoto, for men of the Occupation forces, who are admonished not to bring American women with them as "everything" is provided.

Women "Presented" GI's

In every hamlet in the land brothels eagerly served the GI with "geisha girls" until prostitution was banned by SCAP and then this business went underground. In the very early days of the Occupation, a stick of chewing gum was adequate payment for a "short time" with a Japanese prostitute and Police Chiefs have been known to "present" a half dozen women to a small American military unit in a small town as a token of esteem.

Dance halls were opened in every town or city where troops were stationed, advertising "hundreds of girls" to the American visitor they had so recently been taught to hate. In the first days of the Occupation, girls were recruited for these dance halls with the patriotic appeal that dance halls were "the front-line of the people's diplomacy."

Even the servants selected to work in the houses of the Occupation

EAT AT

Jimmy's

133 Nanking Road

Shanghai

Branch 11-3 Rue Montauban

officials were trained by the foreign office to "explain" Japan to their employers.

It is reliably stated that the Oasis, "the first and largest" dance hall in Tokyo, was started as a result of a pre-Occupation meeting of Geisha Association heads, called together by officials in the Foreign Ministry. The venture was financed by Government war insurance funds.

Japanese beer and Suntory whisky were available in abundance and although Japan was reportedly short of food, rice continued to be used to produce liquid refreshment for the Occupation forces. Later a chain of beer parlors catering only to the GI was opened by the "owners" of the Oasis dancehall.

Japanese "culture" in the form of tea ceremony, flower arrangement, Kabuki and Noh drama were displayed to the Occupation forces by Japanese Government direction.

Propaganda Fed Troops

The *Nippon Times*, a notorious English-language daily newspaper published in Tokyo under the aegis of the Foreign Office, increased its circulation tenfold when the Occupation forces arrived and more than quadrupled its size. It also began to print American sports news and American funny pictures so that it could reach and please more of its American readers. The Americans, being members of the Occupation forces, paid nothing for the *Nippon Times* and its clever editorials, written by Dr. Kawai, the outstanding wartime anti-American propagandist.

Japanese propaganda even invaded the American Army Information & Education classes, where courses on Japan's cultural past developed the theme of Japan's uniqueness. For a time one of the instructors was Chikao Fujisawa, former Research Director of the banned Imperial Rule Assistance Association and author of the book, Japan's Divine Mission, which proclaimed Japan's war aim was to place the world under the rule of Emperor Hirohito and that this was the age-old injunction of the Japanese gods.

In his classes for American students Mr. Fujisawa did not openly talk of the divine origin of the Japanese nation but in metaphysical terms did tell of the different and special qualities of the Japanese, setting them apart from other people. Finally Fujisawa's propaganda became so blatant that the students compelled his ousting from the American Army school.

Officials Dined And Wined

During the first six months of the Occupation, business and governmental leaders strove to ingratiate themselves with the Americans. It is reported that the Japanese Government compiled a list of the "tastes" or weaknesses of every important member of the Occupation. In thousands of contacts with SCAP officials, "presentos" were given and certain definite Japanese ideas reiterated. Large concerns banquetted its appropriate section of SCAP and at these affairs Americans made speeches and were encouraged to believe that they were gods, re-making a nation, while Japanese leaders spoke quietly of Japan's needs over exchanged sake cups.

Late in 1946 an official of the powerful Sumitomo Bank, speaking of entertainment for the Occupation Forces, said that the Industrial Bank of Japan, which has its own policy, had not entertained and had not fared so well.

Mamoru Shigemitsu, former Foreign Minister, now on trial for his life with Tojo, wrote in the autumn of 1946 that on September 3, 1945, he had visited General MacArthur in Yokohama and had told him how the Occupation of Japan should be conducted. Quoting from Shigemitsu's letter:

"MacArthur told me that he would take my suggestions into consideration. Whether or not my statements to him had any weight in determining his course of action, I do not know. However, I do know that the method employed by the Allies in carrying out the purposes of the Occupation, is in line with my suggestion. Hence I have felt a great deal of responsibility and have been very anxious. Now, however, I feel relieved."

To what extent Japanese leaders have shaped the course of the Occupation and perhaps influenced General MacArthur's thinking on world problems may never be known but it is an interesting historical fact that an accused war criminal like Shigemitsu should be well pleased with the Occupation of Japan.

中央信託局

THE CENTRAL TRUST OF CHINA

A Trust Which Commands Confidence

Chartered Under Special Mandate of the National Government

TRUST BUSINESS OF EVERY KIND UNDERTAKEN AT MODERATE CHARGE

Chemical Fertilizers: Backbone Of Agricultural Rehabilitation

BRUNO KROKER

IT takes more than half an acre of cultivated land to feed one of China's 450 million people. This is revealed by land and soil statistics and, according to UNRRA agricultural experts, is due to the exhausted condition of China's soil. The ancient land has been exploited for centuries without receiving sufficient nourishment and, in many districts, is committed to three plantings a year.

China's total cultivated area is reported to be 232 million acres, or a little more than half an acre per capita (Half an acre equals three mow). The exhausted state of the soil is attested to by the fact that China's crop yield is among the lowest in the world, particularly in respect to grain crops. China produces but 40 bushels of rice per acre, compared to Japan's 83 and Spain's 110 to 120. Much the same applies to wheat, with China obtaining 15 bushels per acre, Japan 25, Scotland and Denmark 44.

The need to increase China's crop yield per acre is further demonstrated in manual farm labor statistics. In China 80 percent of the population is engaged in agricultural pursuits. This means that it takes the labor of four persons to provide farm produce for the consumption of five. Modern scientific methods and agricultural research have made it possible to reverse this ratio in the United States where the labor of one farmer produces enough to feed four persons; although almost self-sufficient in agricultural production, only 25 percent of the United States' population is tilling the country's soil.

Fertilizer Needed

It is plain, then, that with so huge an arable area under cultivation, China could produce sufficient crops to feed her hungry millions were it not for the impoverished state of her soil. But little progress has been made to date in the enriching of the soil of China by the application of modern chemical fertilizers. The average annual chemical fertilizer imports into China before the war amounted to only a quarter of a million tons, compared to Japan's consumption of more than two million tons, although the country tills less than one-eleventh the acreage that China does.

The history of modern Chinese agriculture goes back to the birth of the republic, nearly 40 years ago, when the first bag of ammonium sulphate was introduced into this country. This fertilizer gained great popularity in enlightened rural areas of South China because if its impressive influence on lowland rice on which it happened to be first used. This also accounts for the fact that 95 percent of fertilizer imports to this day consists of ammonium sulphate.

Half of this is used on lowland rice fields where it appreciably increases growth about 24 hours after application. Efforts have been made to introduce Chilean nitrate and mixed fertilizers but these have never become as popular as ammonium sulphate. However, this fertilizer does not always induce favorable soil conditions and its nutritive value as plant food may be nullified with the development of acidity in the ground. Furthermore, the nitrogen which these fertilizers supply, although highly important, is seldom sufficient to develop maximum crop yields. The soil of China is also greatly deficient in phosphoric acid, and in many regions in potash also.

Mixture Favored

In the United States, where the plant foods of the soil are much less exhausted than in the worn-out soil of China, and where scientific fertilizer practices are being used, more than twice as much phosphoric acid is being supplied to the soil by chemical fertilizers as is nitrogen. Slightly more potash than nitrogen is also being so used. In the United States, however, additional nitrogen plant food is being supplied to the soils by the cultivation of leguminous plants which are able to utilize the free nitrogen of the air. These leguminous crops maintain or replenish the nitrogen content of the soil, particularly when they are plowed into the ground. The practice known as "green manuring" is not yet followed to any great extent in China, although efforts have been made by the Ministry of Agriculture and Forestry and other governmental agricultural institutions to develop such practices. Until green manuring is more extensively used in China, the deficiency of nitrogenous plant food will have to be met by the addition of larger quantities of ammonium sulphate or other nitrogenous chemical fertilizers than otherwise would be necessary.

In view of these considerations, it is the opinion of the UNRRA fertilizer specialists, that mixed fertilizers containing a proper balance of plant food are far more desirable than the use of incomplete fertilizer or native manures alone.

Taiwan & Kwangtung

The effect of fertilizers on China's food production and economic conditions is best examplified in Taiwan and Kwangtung Province, two areas where enlightened agricultural methods were early introduced. Before the war and under normal conditions, Kwangtung imported about 60,000 tons of fertilizer a year. The Pacific War cut off sources of supply and immediately a famine developed in 1942. It worsened in 1943 when as many as one million persons died from starvation, an unprecedented occurrence in this rich and fertile South China province. The province produced about 50 tons of sugar cane per acre before the war. This figure was reduced to 20 tons per acre when fertilizer supplies became unavailable. In the area around Swatow the shortage of fertilizer was perhaps most keenly felt in 1943 when farmers went around with receptacles soliciting urine from passersby.

Taiwan, in a normal year, consumed nearly 360,000 tons of commercial fertilizer and 150,000 tons of bean or other cake manure. The island's exports of rice and sugar exceeded by more than 10 times the value of imported fertilizers used. When Taiwan's fertilizer plants were incapacitated during Allied bombing raids and imports of fertilizer were cut off, rice production fell off 53 percent and sugar production 90 percent.

Conditions in the United States were just the reverse during the war years when increased chemical fertilizer production boosted crop yields to unprecedented heights. The United States annual fertilizer consumption rose from 7½ million tons in 1935 to 14 million tons in 1946. While exact figures on the increased crop yield are not yet available, this year's U.S. wheat crop is estimated to be double that of a normal year.

Manufacturing Plants Urged

UNRRA's program for the reconditioning of Chinese soils provides for the import of 235,000 tons of chemical fertilizer, about 60 percent of which have already arrived, with the remainder either en route or ready to be shipped from foreign ports. But UNRRA experts are aware that a long range agricultural rehabilitation program in China, founded on progressive and scientific soil mechanics involving a complete overhaul of China's impoverished soil, cannot be based on the import of a small fraction of the fertilizer actually needed. They see therefore China's lasting salvation not in the stepping up of chemical fertilizer imports from all parts of the world, involving valuable foreign exchange, but by the utilization of indigenous phosphate rock and other natural resources for the manufacture of much needed fertilizer within the country.

This contention is also borne out by the findings of the joint commission of agricultural experts from the United States and China, headed by Dr. Claude P. Hutchison, Dean of the College of Agriculture, University of California, which has just completed the most thorough study of the needs of Chinese agriculture that has ever been made. This commission placed the manufacture of fertilizer as first, and requiring top priority, on the list

of requirements for the agricultural rehabilitation of China.

In full recognition of this, UNRRA fertilizer advisers are making efforts to increase the mining of phosphate deposits and are assisting in the erection of plants to manufacture phosphatic and nitrogenous fertilizers. The world is at present facing a great shortage of production of phosphate rock and of all types of fertilizers. Hence, there is little likelihood, even if China had the necessary foreign exchange, that she could obtain anywhere near her minimum fertilizer requirements by importations.

Large Deposits In China

Leading mineralogists, however, have hinted at the existence of large deposits of this mineral on the Chinese mainland and in the hilly delta regions along the coast.

J. H. Stover of Greenwich, Connecticut, UNRRA Fertilizer Advisor, discovered last year from information furnished by SCAP in Tokyo that the Haichow Phosphate Mines in the province of Kiangsu, the only previously known source of phosphate rock on the eastern coast of China, had been completely stripped of high grade ore by the Japanese.

By extensive prospecting in this region at the suggestion of UNRRA, the Mineral Exploration Bureau of the National Resources Commission under the direction of Dr. C. Y. Hsieh has found approximately 1,500,000 tons of usable ore near Haichow. Approximately 4,000 tons of this have already been mined by crude hand methods. Other deposits estimated to contain about 2,500,000 tons of low-grade ore have been discovered in the province of Anhwei. UNRRA is endeavoring to find a way to furnish mining and transportation equipment from UNRRA-CNRRA supplies in China to facilitate mining operations and to have the rock transported to Taiwan for manufacture into fertilizer.

In addition to the Haichow deposits, the National Resources Commission is sponsoring intensive prospecting for larger deposits of phosphate rock, believed by mineralogists to exist, judging by the appearance of rock formations in some parts of the country. A Japanese record speaks of the discovery of a deposit amounting to many millions of tons in that country. This has not yet been located, but mineralogists are of the opinion that the Chinese deposits are large enough to supply China's needs until further deposits are discovered.

To increase rapidly the production of phosphate fertilizer, now that these new sources of phosphate ore will shortly become available, UNRRA has introduced a new electric fusion process, recently developed by TVA, to produce a higher grade fertilizer than could be made from the ore by the sulphuric acid method employed in the present superphosphate plants at Keelung and Takao.

To Use Taiwan Plants

UNRRA originally planned to furnish about three quarters of a million dollars in equipment to erect a plant for this new process using low-cost hydro-electric power in Taiwan. However, five unused electric furnaces were found in Taiwan, three of which, with minor auxiliary equipment, will be capable of producing 100,000 tons of fused superphosphate annually at Eato and Keelung. An additional 200,000 tons can be produced in a partially completed calcium-carbide plant at Shinchiku as soon as arrangements can be made to bring electric current to the furnaces.

The new electric fusion process renders the phosphoric acid in the rock available as plant food by fusing the rock with a magnesium-silicate mineral such as serpentine or olivine in an electric arc furnace. The red hot melt is tapped from the furnace in a molten stream and is disintegrated into small particles by a jet of water squirted at high pressure into the flowing melt.

In contrast to superphosphate manufacture, expensive acid is not needed, nor expensive phosphorous as in triple-superphosphate. Henry Kaiser, the well-known American dam and shipbuilder, recently converted one of the former war plants for making ferro-alloys to produce this fertilizer in Perminente, California.

One of the serious problems that had to be solved in order to produce this new fertilizer was not only to find new sources of phosphate ore, but also suitable deposits of magnesium-silicate mineral. These have now been located in the eastern mountain range of Taiwan. The mineral to be used is a large deposit of serpentine near Karenko, estimated to contain more than 30 million tons of ore.

Tests Made At Keelung

Experimental work on adapting the process to Chinese facilities was initiated by J. H. Stover at the Keelung superphosphate plant last October. All research and tests were carried out by Chinese chemists and technicians under the direction of T. H. Huang, chief chemist in charge of the superphosphate department of the plant. The fertilizer produced at this plant by the new process contains 20 percent of phosphoric acid, of which 93 percent is available as plant food. This is from 10 to 20 percent higher in plant nutriment than the superphosphates formerly produced at this plant by the Japanese.

Furthermore, this fertilizer does not contain sulphuric acid to build up harmful acidity in the soil which must be periodically corrected by liming. The fused fertilizer is moreover a source of soluble magnesia, which in itself is beneficial as a plant food and is an excellent soil conditioner. This is especially important for the soils of Taiwan and the southern provinces of China where most of the soils are acid in nature.

Due to the deficiencies of soil colloids and the heavy rainfalls in these regions which quickly wash out much of the ordinary water soluble acid phosphate that is not promptly absorbed by the roots of the plants, greater percentages of the plant food in the fused product can be utilized in actual plant nutrition than is the case with ordinary superphosphate. Another advantage of the fused phosphate fertilizer is that it is noncorrosive and does not rot the fertilizer bags which superphosphate, made from sulphuric acid, often does.

Thus, the ingenuity of UNRRA specialists and Chinese scientists and engineers working together in close cooperation has made signal progress in the discovery of important national resources and in devising ways to utilize them in conjunction with other available resources for the production of fertilizers in China. This has pointed the way for starting the restoration to good productivity of 232 million acres (or their Chinese equivalent of one billion four hundred million mow) of cultivated land and thus to increase greatly the crop yields of the country.

華僑銀行上海分行
Oversea-Chinese Banking Corporation, Ltd.
Head Office: Singapore
Shanghai Office: 120 Kiukiang Road
Tels. 13176/7

Yu Tsai Celebrates 8th Anniversary

LAYLE SILBERT

YU Tsai School, founded by Dr. Heng-Chi Tao, marked eight successful though stormy years on July 20 at Taitsang, its new location in a Shanghai suburb. The founder himself has been dead now almost a year, a victim of overwork. Visitors came from as far away as Nanking and as close as the nearby village to attend some part of the all-day celebration.

The creative energy and talent released by the approach of this school for gifted children and its curriculum among both teachers and students were displayed in the program given in the afternoon for outside visitors and again in the evening before more than 1,000 villagers. This is energy and talent which turns both to China's native culture and learning and to western ideas and is oriented to democracy in education and life.

Creative work of the school was demonstrated in the music and choreography of some of the pieces composed by teachers and students, in the exhibition of students' drawings and in the wallboard called "Creation" made up of sketches and stories, as well as greetings from friends. A special costumed choral dance was composed for the day, "Yu Tsai Celebrates its Eighth Anniversary." Other parts of the program ranged from a jolly farmers' dance from Tibet to classic pieces on the piano.

"Courting Of Democracy"

A dramatic pantomine, "The Courting of Lady Democracy," was enacted to the words of a poem by Dr. Tao, as a student read in the wings and a violin played in accompaniment composed for the occasion. The story is worth telling: Lady Democracy found hedged in by a wolf and a tiger, is unattainable first to the thinking man, then to the woman who prays and to the man who talks. The farmer with the words, "It is worth risking one's life for the abundant life," overcomes the tiger and the wolf to win the lady. All join hands in a dance of celebration.

In spite of the July heat, the visitors, children and grownups, sat through the program in the densely packed assembly room, swarming in through the windows and doors and standing in the wings of the stage.

The school called Yu Tsai, which means "cultivate talent," originally located in Chungking, a few months ago took the courageous step of moving this first group to Shanghai, in spite of costs three times as high as in Chungking. Shanghai with more to offer in cultural opportunities, affords a richer setting for the school. The Shanghai office on North Szechuen Road is directed by H. K. Tao, the founder's son, who left his wartime work as a radio technician to become the school's representative.

50 Students Here

As yet, only 30 boys and 20 girls and 15 of the teachers are here. As soon as more buildings can be put up, the remaining 150 students and 50 teachers will join them. It is located in a small villa surrounded by 25 mow of land, donated by a friend, near Taitsang village. It was there that Dr. Tao 10 years ago organized the Labor Science Union, one of many progressive village schools. The villagers have not forgotten this. They welcomed the school and its students to their new home and have contributed free labor. A path from the main road to the school was widened to a road with donated labor and earth from nearby farms.

Close Ties Exist

Already close relationships have sprung up between the school and the village. Reading circles led by students are liquidating illiteracy. Group singing of folk songs induce friendly interest. A villager, Mou Gun Gun, a former student of the Labor Science Union, and member of the school's board of directors, appealed for financial help at the afternoon's performance. A sign of the great friendship and warmth in the village for the school was their enthusiastic attendance at the evening performance held out of doors.

Dr. Heng-Chi Tao who founded the school eight years ago, adapted the educational theories taught him by John Dewey at Columbia Teachers' College from "school is society" to "society is school." In applying his ideas to China's needs, he had already organized the Hsiao Chuang Teachers' College in Nanking and many village schools. In 1939 he opened Yu Tsai to cultivate hidden talent among China's many poor children. Students were selected from "warphanages," assembly centers for war orphans from all parts of China, by special intelligence and aptitude tests and personal interviews given by Sun Min Shui, a kindergarten educator and former associate of Dr. Tao.

As the school grew from the first 30 to the present 200, more were selected by the same methods to enlarge the enrollment and replace those leaving. Eighteen provinces and two foreign countries are represented in the school body. Some children were later found to have parents, but they often were in poor circumstances and could contribute nothing for their children's livelihood. Only few students now receive any help from home.

From 11 To 20 Years Old

Once when Dr. Tao entered an orphanage, he found a small boy leading a group of children in singing. This child was tested and accepted for music study. Now an adolescent, he conducts the school chorus. Only occasionally have selective methods failed. An odd turn in the methods is the case of the child selected for social science who displayed more interest in music, to which he was permitted to change with good results.

Students range in age from 11 to 20 years. They leave the school after their application to do so is accepted by the faculty and only on evidence that he has completed his work. Some of the "graduates" have found work as members of dramatic groups, teachers, journalists, or have organized special projects, such as the one now issuing a children's science magazine. Some have entered universities by passing special examinations. Several are applying for scholarships abroad. Students, however, never entirely cut loose from the school. To them it is always a "second home," to which they go back for help and counsel in the many problems met in living in today's China.

The curriculum includes the basic subjects required by the Ministry of Education and six special studies. At Taitsang, music, drawing, dramatics and dancing are available, while literature and the sciences remain at Chungking. A problem in moving the rest of the school here is in obtaining the necessary equipment to teach natural sciences. Although the basic subjects of history, geography, arithmetic and Chinese take about three-fourths of teaching time, and the special study about one-fourth, the allotment of time is flexible. Students appear bright enough to make good progress at a more rapid rate than children in other schools.

Democratic Precepts

Supplementing the resident staff of 10 teachers are special lecturers who come to the school several times a week and private lessons by music teachers in the city. The teachers who live with the students carry out the school's democratic precepts by studying and learning with their students and sharing their hardships.

Content of the special studies is based on indigenous and foreign sources. In graphic arts, for example, drawing practice, theory and history are taught in Chinese and western traditions. So far only drawing and water colors are given, since oil paints are too dear for the school's budget. In the music department, folk songs are used from many sections of the country, and composition is taught in western style but based on Chinese motifs. Individual students are instructed in violin, piano, 'cello and viola. A string orchestra provides the opportunity to learn conducting.

In dramatics, the students are encouraged to write, direct and give performances. This department has given performances in Chunking for the people of the city, particularly children's plays, such as an adaptation of the Russian novel, "The Watch," and "The Little Host," a play describing children's sufferings during the war. Both folk and ballet dancing, group and individual, are taught. The dancing department was founded by Tai Ai Lin, a famous Chinese dancer now in America.

The literature and science departments are in Chungking. Literature includes the study of Chinese and for-

eign literature, a foreign language such as English, French or Russian, and much creative work in poetry, novels and stories. Some have been published.

Natural science studies stress mathematics, physics, chemistry and biology, with freedom for the students to emphasize their special interests. It is planned to build this department up to the point where half the students will be enrolled in science. Social sciences cover history, sociology, economics and politics as well as local administration. Social science students must study the problems of the villages, and learn the wherefores of current problems, such as inflation and the civil war. They are required to do social work for the welfare of the villages, help in reading circles and in promoting hygienic practices.

Leisure Provided

Because Dr. Tao believed that education must provide leisure, this also is assured. This time is spent in working the land, on the school grounds, in making mosquito nets and repairing clothing. For the anniversary celebration, the girls made costumes.

But most important leisure-time occupation is in the village, where for no more than one hour a day students become "little teachers." The "little teacher" is the link between the school and the village. The idea, developed in 1931 by Dr. Tao as an economical, expedient way to meet China's great need for simple learning, which has already been applied widely in all parts of China, carries important implications for all backward, illiterate countries. Each student takes one family to whom he teaches not only the characters but in whom he also tries to create an understanding of life and outside problems. The school thus truly becomes a cell of society, as the families spread their knowledge and more reading circles are formed. It is considered a duty and responsibility of the students to pass on their education to others, a duty and responsibility that they accept.

Depends On Donations

Yu Tsai receives some help--but never enough—from the China Aid Council and from United Service to China. On moving to Taitsang, some supplies, five cows and building materials were obtained from CNRRA through the intercession of the China Welfare Fund. Several gifts have come from such sources as "*Stars and Stripes*" the American Army newspaper in Chungking, which donated books. But, by and large, the school must depend on the contributions and support of friends in China, overseas Chinese and other friends abroad.

At the celebration, many guests dug deep. Teachers who admire and support Dr. Tao's progressive ideas pledged one month's salary and persuaded their friends to do likewise. The widow of Lu Hsin donated a complete set of her husband's works to be sold for the school's benefit. A set of musical instruments has been promised. Medical care has sometimes been contributed but no regular drug supply can be made available until the school can afford a full time nurse.

The Tao Memorial Committee for Democratic Education in China organized in New York City after Dr. Tao's death, headed by John Dewey and William Kilpatrick of Columbia, is assisting in the support of Yu Tsai both financially and by making known to Americans the educational theories and accomplishments of Dr. Tao.

Planning ahead for Yu Tsai is difficult, but the school is determined to be united soon in Taitsang in enlarged teaching and living quarters, with improved facilities. Unsettled economic and social conditions have hit the school hard as they have so many other socially desirable independent enterprises.

That the Yu Tsai School has captured the imagination and support of the people even though it is engaged in the education of the few, is a tribute to its basic democratic approach and carefully cultivated roots among the people.

The Chinese Government, in a written reply to U.S. Ambassador J. Leighton Stuart, who requested clarification of China's industrial policy with regard to foreign capital as contained in Premier Chang Chun's economic plan, said that American business may invest in all branches of China's industry except those reserved by law for Chinese capital exclusively. Foreigners may invest in such plants which manufacture dynamos, airplanes, machine tools and steamships, in the form of stocks and shares, which signifies direct investment.

Head Office:
24 Chung Hwa Road,
Nanking
Telephone: 23730

Shanghai Branch:
16 Chung Shan Road
(The Bund)
Telephones: 19780-85

中 國 農 民 銀 行

THE FARMERS' BANK OF CHINA

Savings Deposits — Domestic Exchange

Farm Credits — Land Loan & Trust

Martial Law, "Thought Control" Reeducation And Deportation

C. Y. W. MENG

LT-GENERAL Hsuan Tieh-wu, Garrison Commander in Shanghai, in explaining the arrest of the students in May, and the subsequent detention of some 50 students at an undisclosed segregation center, was reported to have said that "Shanghai is still under martial law." He said that although the curfew was lifted in June of last year, "it should not be erroneously believed that the termination of night curfew means the nullification of the martial law." Therefore, to the garrison commander, the arrest as well as the detention of the students is legal.

Commenting on the demand by the parents of the arrested students before the Shanghai High Court for habeas corpus writs, the Garrison Commander told *Central News Agency* that "it is entirely out of accord with martial law." He stressed that according to Article 14 of the Martial Law, it is stipulated that criminal cases occurring in areas under martial law must be investigated by military organs—with the cooperation of judicial organs only when that is deemed necessary. To him, it is up to the military organs' discretion to investigate any criminal case with or without the judicial procurator.

Habeas Corpus Snubbed

"Since martial law is still in force here, the judicial authorities can not in any way hinder or restrict the powers of the Garrison," and "the military organ has no obligation to turn over to others its investigating power," Lt.-General Hsuan said.

Therefore, in his reply to a communication from the Shanghai High Court, to which the parents of the arrested students appealed for the issuance of a writ of habeas corpus, and for a fair trial, the Garrison Commander states that "a certain number of students, instigated by the communists, caused unrest designed to overthrow the Government and disturb society . . . These students were arrested for violation of Article 14 of the Martial Law. . . .the complicated nature of the case requires prolonged investigation."

Thus, the invocation of habeas corpus—the first such case since the formal promulgation of the Trial Law—has been blocked and nullified by a military organ. Some 20 or 30 students who have been under detention for more than two months now as a consequence must remain in an undisclosed segregation center for a still longer period of time—without benefit of trial.

The Garrison Commander was further quoted by the Chinese papers as saying the "several students will be forced to remain at the center for some time to come, as their period of 'reeducation' is not yet considered completed." He disclosed that the students now under detention are all young, and therefore he has refrained from inflicting any severe punishment, and that "until now they have been subjected only to a 'Re-indoctrination Program.'"

"Confessions" Required

Turning to the "Conditions for Release," we are informed that there are two conditions set out in the paper to be signed by the parents for the release of their sons and daughters. These are:

(1) The students concerned must admit that they participated in the student disorders.

(2) The students must admit that they took an active part in the disturbance of social order.

This amounts to a "forced confession." In the eyes of the modern jurisprudence, we believe, "a forced confession is not a confession."

Secondly, on the guarantee document, the parents are required to pledge that the students after release will not go back to the schools at which they studied prior to their arrest, and that they will leave Shanghai immediately. This amounts to deportation and banishment. But in the Chinese Criminal Law, there is no such punishment as "deportation" or "banishment."

Recently, we note, the National Government not only has been enforcing "Thought Control" in the country, but is extending the control to the Chinese press abroad. The Overseas Chinese Affairs Commission has ordered all newspapers and periodicals published by Chinese nationals abroad to register with the Commission through the medium of Chinese consulates, embassies or educational associations recognized by the Government. The representative Chinese organs abroad have been instructed to give registered Chinese publications "constant advice and assistance."

"Thought Control"

"Thought Control" within China already is bad enough. If it is extended to the Chinese abroad, we are afraid that China is simply discrediting herself in foreign countries by demonstrating to them that China is moving not nearer, but away from, democracy. We may recall that in wartime China, "Thought Control" was once attempted when students before going to study in America were required to attend a six-week "training" course. But this created a prompt storm, and the attempt had to be abandoned. Why should such a sad story repeat itself now?

These are some of the latest developments in the country and they have a great deal to do with our liberty and the democratization of China in general.

It may be recalled that as a protest against the "absence of law throughout China," some law students of the Sun Yat-sen University in Canton burned their law books in front of Dr. Sun Yat-sen's statue on June 15. These students further issued a statement protesting that the Government "has a version of laws which serves its own ends." That is sufficient to show the seriousness of the situation now existing in China.

Ordinarily, martial law can only be declared in case of war or an emergency. But recently, we note with surprise, declarations of martial law have been frequent in various parts of China. Even a magistrate or a brigade commander can declare martial law. And by claiming that "the area is now under martial law," the local authorities can exercise emergency powers over the people. As a result, martial law has now become an almost almighty instrument with which the local authorities may do almost anything they wish to infringe upon our rights.

In the afternoon of June 1 there was a robbery at a rice shop in Neikiang (a *hsien* in Szechuen Province). At 7 p.m. the same day, martial law was declared by the magistrate in cooperation with the commander of 194th Brigade stationed there.

In the morning of June 16, another robbery of a rice shop took place in Kwanhsien (a *hsien* in Szechuen Province). The magistrate at once held "a state of emergency exists," and martial law was enforced.

Martial Law Explained

In fact, so far as the provisions of Chinese Martial Law are concerned, the declaration of such law is by no means simple and easy. Let us now study the law briefly.

According to the stipulations so succinctly stated in Chinese Martial Law, the law may be declared only under one of the following conditions:

Article 1 states that: "In case of war, when it is considered necessary to declare martial law throughout the country or in a certain area, the National Government may, with the approval of the Legislative Yuan, declare martial law."

Article 3 states that: "In times of war when a fortified area, naval base or naval dockyard, or any area is subject to the enemy's sudden attack or encirclement, or in order to cope with an uprising, the highest local command may declare martial law."

Article 14 states that: "In case of an emergency when martial law should be declared in an area, the National Government may declare martial law without first obtaining approval of the Legislative Yuan."

From the above provisions, it is very clear that the declaration of martial law by the National Government requires a decision from the Legislative Yuan. The National Government may declare martial law without first obtaining such approval

only when an emergency has occurred in the country.

Secondly, the highest local command may declare martial law only in war time, when military establishments or the territory under his defense is in danger of being attacked or encircled by the enemy, or when a sudden uprising occurs with which he has to deal.

Interpreted in the light of these provisions, we may say that while there may be some ground for the declaration of martial law in Peiping and Tientsin owing to their proximity to the civil war, we doubt very much if there is any legal ground for the local garrison command in Chungking, Chengtu and Foochow, not to speak of Neikiang and Kwanhsien, to do the same. Every one of these cities is thousands of miles from the nearest war area, and none of them has any military establishment which is in danger of enemy attack.

As to martial law in Shanghai, the Garrison Commander justifies his action on the declaration of the martial law on November 15, 1945—*more than one and a half years ago!*

May we call his attention to Article 15 of the Chinese Martial Law which provides that: "As soon as the state of emergency ceases to exist, martial law should be nullified." We believe many Shanghailanders will agree with us when we say that the emergency upon which the martial law was declared at the end of 1945 ceased to exist long ago. Martial law in Shanghai was *ipso facto* nullified at the time of the lifting of the curfew.

The declaration of martial law at will by the local authorities amounts to an abuse of public authority. Refusal to end martial law when the emergency is over is a further abuse.

At present, it is quite customary in China that once martial law is declared, it remains in force almost indefinitely. The declaration of martial law in Chungking, for example, was announced to prevent the outbreak of riots during the students' anti-civil war and anti-hunger movement. That movement is now over, and consequently martial law should be nullified. But, strange to relate, Chungking "is still under martial law" as is Shanghai today, thus the military organs can exercise emergency powers at any time.

Next, study the powers of the local authorities under martial law. Again, so far as the provisions of the Chinese Martial Law are concerned, we find their powers are limited.

Article 12 of the Chinese Martial Law states that: "All buildings, ships and boats in places near to the war area may be searched if they are under suspicion. But no damage should be done to them at will."

Article 9 states that: "The military organ may try by itself, or transfer to the law courts, all criminal cases occurring in places near to the war area. These cases are: internal disturbances and treason."

In Chungking, we are told, the local authorities were reported to have cited this provision (Article 9) aloud as the legal ground to arrest and detain the students and reporters. But they made a terrible mistake in overlooking such important words in the Article as "in places near the war area." Chungking, once China's wartime national capital, is thousands of miles away from the nearest war area. So this Article 9 is, in fact, not applicable to that city.

So it is with other cities which are equally far away from any war area, for there the local authorities have no right to declare martial law and the military organs can not arrest and detain people without handing them over to the law courts for trial.

Article 14 of the Chinese Martial Law is most frequently cited by the garrison commanders to justify their actions. It is true that this article states that in case of an emergency, the National Government may declare martial law without first obtaining a decision from the Legislative Yuan. but many local authorities have certainly forgotten the other part of the Article which states:

"In the area under martial law, there should be no infringement upon the powers of the local administrative and judicial organs. In criminal cases which are considered to be related to military affairs for which an investigation should be conducted, the military organ in the locality may undertake this investigation in cooperation with the local judicial organ. But after the investigation, the cases should be referred back to the law court to be dealt with in accordance with the due process of law."

So far as the case in Shanghai is concerned, the Mayor's office was quoted to have said that "the students were arrested by the Garrison Headquarters, and the release of the detained students is also up to the Garrison Command." The issue of releasing the arrested students is now entirely in the hands of the Garrison Headquarters.

This sounds to be an utterance in a somewhat angry tone, expressing dissatisfaction. What the inside story is, no one knows. To us, it seems to signify that the matter has now been taken out of the Mayor's hands. Obviously, at first, it was the Mayor's intention to release the students, but now it seems that he is quite powerless to do so.

Here is another instance where a writ of habeas corpus was turned down, where the civil and judicial administrations have been incapacitated, and where the military organ has become more powerful, simply because "the area is still under martial law."

In fairness we should say that the constitutionality, as well as the validity of the declaration of martial law in many parts of China in June, including the martial law claimed to be still in force in Shanghai, is very much open to question. With this constitutionality in question, the legality of the arrest and detention of the people by a military organ is likewise in question. With this legality in question, the refusal of a military organ to hand over the arrested to a law court for trial constitutes, indeed, "contempt of court."

We have read the petition as submitted by the parents of the arrested students to the Shanghai High Court, asking for a writ of habeas corpus and for a "fair trial." We also note their arguments. We should say that this petition should go down in the annals of Chinese constitutional history as a document well worth recording, because this signifies that the struggle for freedom and for "Rule by Law" among the Chinese people is now in full progress. To us, this is one of the healthiest signs of a New China.

We have also read Garrison Commander Hsuan Tieh-wu's reply, and noted his arguments. If we were to offer some suggestions to the Shanghai Garrison Commander, we would advise him not to conclude that "the cooperation between the court and the Garrison is desirable, but not essential in such cases involving martial law," but would urge him to reply and notify the parents of the arrested students to refer the matter to China's Supreme Court for interpretation and decision.

Should the Supreme Court rule that such a declaration of martial law is untimely and thus unconstitutional, let the Garrison Commander show his remarkable law-abiding spirit by accepting the decision, by nullifying the law at once, and by releasing the students or by transferring them to a court of law for trial.

We believe General Hsuan would render greater service to the Chinese nation and create a happy precedent by referring the constitutionality of a law and the legality of an act by a military organ to the Supreme Court for decision, thus serving as a "living example" to all other garrison commanders in the country and demonstrating that, although they must preserve peace and order in their locality, and are empowered to exercise some emergency powers under martial law, they must not go beyond the limit of the law. In the controversy over the constitutionality or legality, the interpretation, as well as the decision, rests not with the garrison headquarters, but China's Supreme Court. The independence and integrity of the judiciary must be preserved at all costs.

As we have pointed out time and again, the true salvation of China lies in the inauguration of "Rule by Law" at the earliest possible date. But the first step in this direction is not only to adopt a permanent constitution, but, more important, to develop a good law-abiding spirit between the Government and the people. What should first be done is not to formulate more new laws; what is more important is not to permit officials to distort its provisions with a view to defeating the law.

We students of constitutional history all know that it took centuries and much blood for the British people to fight for habeas corpus for us. The whole civilized world prizes it. We also must appreciate and prize it.

The promulgation of the Trial Law is an important milestone toward the democratization of China. Article 6 of the Trial Law expressly provides that the arrested persons must be brought for trial within 24 hours. All Chinese officials, civil as well as military, owe it to the nation to uphold the sanctity of this Trial Law. No one should try to defeat this law. The law knows no person, and the law knows no politics.

An Earlier Failure

D. Y. LANNE

THE other day, looking over the shelf, my eyes lit on the back of a book whose title was "America's Siberian Adventure." Vague memories moved me to take it down—I had not opened it for more than 10 years; and I began idly to turn the leaves. My attention was soon captured, and after a few more pages I said to myself: Hi, this is about the most up-to-date and topical book for the old Chinese to read! History is once more about to repeat itself, and it's no fault of history either; it is because we do not read enough of it.

"America's Siberian Adventure," published in 1931, was written by Major-General W. S. Graves, the Commander of the U.S. Expeditionary Forces in Siberia. General Graves was an upright soldier whom his government had placed in an impossible position; and this book is his apologia. Instead of commenting on it, I shall merely give a few quotations with some connective tissue of text condensed in the spirit and, when possible, in the words of the author; and leave the intelligent reader to draw his own conclusions.

Allies Backed "Whites"

At the time the expedition sailed from the West Coast, conditions in Russia were roughly like this: The Bolsheviki had achieved a measure of control over Western Russia although the counter-revolutionary armies under Wrangel, Denikin, Iudenitch and others were still fighting them with Allied support. Transbaikalia was for the time being left to its own devices. President Wilson had been persuaded to send out the expedition, first, to prevent large stocks of military supplies at Vladivostok from falling into the hands of hundreds of thousands of German and Austrian war prisoners who had been reported released from Russian prison camps and were planning to capture and take these stores across Russia to help Germany; second, to open up the trans-Siberian railway for the repatriation of large numbers of Czech prisoners of war who were in sympathy with the Allied cause and wanted to fight for it in Europe.

When General Graves arrived in Siberia, he discovered.

(1) That the release of the German prisoners was a myth;

(2) That "the Czechs were never in danger from the aggressive acts of the Soviets" and that in fact they were the aggressors, having seized not only the railroad in its entirety but also occupied a good many towns along it, and needed nothing but ships to go home in; ships which the Allies treacherously delayed to send because they hoped to press the Czechs into service against the Soviets rather than against the Germans;

(3) That the lies about the German as well as the Czech prisoners had been fabricated by State Department agents in Russia, mostly consuls, who were confident that once that got the U.S. Army to Siberia, they could maneuver it into a position where it had to fight the Soviets. They deceived Wilson, but could not prevent him from issuing instructions to the Expeditionary Forces which forbade them to intervene by force in favor of any party to the civil war.

Conflict With State Dept.

To these instructions, General Graves strictly adhered, but it brought him into grave and continuous conflict with the State Department and its local agents.

"At the very moment the policy of the United States, with reference to Russia, was being prepared in the State Department, solemnly assuring the Russian people and notifying all Allied nations, that the United States would not intervene in the internal conflicts of the Russian people, the Consul General of the United States in Siberia, Mr. E. H. Harris, a representative of the State Department, was telling the people of Siberia that the United States was a party to the contemplated intervention in the internal conflicts of the Russian people." (Page 53).

The result, of course, was that "the different policies followed by the representatives of the United States [both] in European Russia and in Siberia, unfortunately created a justifiable belief that the United States was not entirely frank and candid in its dealings with the Russian people." (Page 71).

When the Expeditionary Forces arrived, the people of Siberia, peasants most of them, had not yet taken sides in the Civil War. To defend them against Communism, a man arose who outwardly professed faith in democracy but who actually was so thoroughly soaked in the old imperial tradition of autocracy that he simply did not know what he was talking about when he mouthed democracy. "Democratic assurances... were freely given; but democratic actions by Kolchak were never observed by me..." (Page 294.) Anyone who disputed Kolchak's right to rule the land with the knout and the bayonet was a Communist to him.

Kolchak And His Aides

"In Siberia, the word Bolshevik meant a human being who did not, by act and word, give encouragement to the restoration to power of representatives of Autocracy in Russia." (Page 101.) To enforce his domination; he enlisted the aid of the Czarist warlords, scoundrels and murderers of the worst sort.

You could have searched the Standard Dictionary, says Graves, to compile a list of all the crimes ever invented, and you would not have found a single one which had not been committed by generals like Kalmikoff, Semeonoff, and Rozanoff. These were the men who supported Kolchak, The Supreme Ruler; they and the State Department, and the Governments of Britain, Japan and France. They all misjudged the situation badly. The British agent, General Knox (formerly military attache of the British Embassy at Moscow), thought that the ordinary poor Russians were "merely swine" and that Russia's only hope lay in its ruling class of landed gentry and officers.

Graves had a healthier view of the facts. "I, personally, never thought that Kolchak had any chance of establishing a Government in Siberia, but the belief of Knox and others like him, that the mass of the people were swine, and could be treated as such, hastened the downfall of Kolchak." (Page 337.) But his views did not prevail. Arms, ammunition and accoutrements were sent in great quantities to the "supreme ruler" and even, ". .the American Red Cross in Siberia was acting as a supply agent for Kolchak" (page 205) on a prodigious scale.

Desert By Divisions

All to no avail. Kolchak's troops deserted him by regiments; whole divisions with their American guns and equipment surrendered to the Reds. Even Knox got disgusted in seeing thousands upon thousands of Red troops dressed in British uniforms which had been delivered to the reactionaries only a few months earlier. Allied military supplies only prolonged the agony of the Civil War. "Without Allied military support, the Kolchak Government could not have stood for one month." But the outcome was the same. As Kolchak became more hard-pressed, he developed more and more brutal methods of recruiting soldiers. The poor peasants whom he forced into his army were subjected to a murderous discipline to prevent their defection to the Communist side. Whole villages were burned down and their inhabitants massacred in retaliation for non-cooperation or hostility.

The result was that he thoroughly alienated the sympathies which the peasants certainly would have had for a really democratic regime. And that fact sealed his final defeat. The Supreme Ruler was courtmartialled and executed by troops that once had been his own.

As the dismal story unfolded, General Graves's distress increased. "I was the agent for delivering arms and ammunition to Kolchak.... I could not reconcile these acts with the principle of non-interference.... By this interference, the United States helped to bolster up, by its military forces, an autocratically inclined and unpopular government, of which the great mass of the people did not approve. The United States gained, by this act, the resentment of more than ninety percent of the people....it undoubtedly resulted in placing the mass of Russians even more solidly behind the Soviets.... It is human nature.... that no Gov-

ernment can add to its strength... while held in power by foreign bayonets." (Page 347.)

It has long been one of the soundest principles of American foreign oplicy not to interfere in factional strife and Civil War abroad, although it has not always been observed. Military intervention in foreign countries is a dangerous thing; to be successful, it demands an amount of knowledge and a degree of understanding of local politics which the State Department does not usually possess; more particularly when the red bogey makes it panicky and deprives it of what brains it has.

It was from plain hide-bound ignorance that "the American expedition....failed completely and ingloriously...." (Dr. Schuman), "a furitless, dismal tragi-comedy...." (Louis Fischer)). One feels a stir of sympathy with General Graves when he ends his story by saying "I was in command of the United States troops sent to Siberia and, I must admit, I do not know what the United States was trying to accomplish by military intervention." (Page 354.)

The question that arises in one's mind is: Has the State Department learned anything since?

Letter From Washington

THE REVIEW'S WASHINGTON CORRESPONDENT

Washington, July 21 (Airmail).

WHILE any discussion at the present time of the Wedemeyer Mission to China is more or less in the nature of speculation, it appears fairly certain that the powers that be here in Washington have decided they are going to give Generalissimo Chiang a little help and Wedemeyer's trip apparently is supposed to unearth some sort of evidence upon which to base a "revision" of United States policy. The "thinking" in the State Department—if you can call it that—is that after Marshall came back and delivered himself of a "plague on both your houses" report on China, it would not look right for Truman to revise policy without going through the motions of another "fact-finding" mission, although nobody believes Wedemeyer will add anything to what the Department alreay has in the way of reports and analyses from its various people in China now. Needless to say, some of the men in the government here are unhappy about the present drift toward giving the Central Government a helping hand but are becoming resigned to what they forsee as the inevitable.

Wedemeyer's plan to include Korea in his itinerary was described to me by one State Department big shot as "sort of an after thought" and with no significance.

Korean Aid Shelved

Before this is published the State Department will have announced—if present plans mature—that they are NOT going to ask Congress for any grant-in-aid for Korea this year after all. Their announcement, it is said, will try to sugar coat the bitter pill for the Koreans by explaining that it was decided to integrate Korea into the world economic aid picture at the next session of Congress, presumably in January unless Truman calls a special session this autumn.

The reason for kissing off the Korean aid plan was that Republican Congressional leaders told State Department officials at the last minute that they didn't have a ghost of a chance of getting US$78,000,000 for the Koreans this year. Senator Vandenberg flatly refused to allow the measure to be cleared through his Senate Foreign Relations Committee. Chairman Eaton of the House Foreign Relations Committee told the State Department that he would introduce it but that it would simply be left unacted upon at this session in 1947 because congressmen in general were getting skittish on this subject of foreign aid. Joe Martin told the State Department the same thing. The Army's US$137,000,000 appropriation for Korea in its "Civil Functions" allotment will include some rehabilitation money but not too much, since most will go for occupation costs and food relief.

Trouble On Horizon

As for the much ballyhooed "Marshall Plan" for Europe—there are increasing indications that it may run into trouble both at home and abroad. Nobody has yet given Congress an estimate of what this latest brainstorm may cost but it is certain there will be plenty of congressmen ready to fight it when they return next January, or earlier. Evidence that the French intend to pursue their usual stiff-necked policy—somewhat ludicrous in a mendicant nation—and insist on keeping German production down and thus crippling the integration of European economy vital to any such plan as this, probably will inculcate a "to hell with it" attitude on the part of still more congressmen.

The administration worked up a terrific crisis psychology in the minds of most Americans in order to get the Greek-Turkish aid bill through Congress and, intentionally or not, gave the impression it was the main point. There was a division of opinion among Truman's advisors as to whether to go at it piecemeal or present the whole European thing together right at first. The advocates of a piecemeal approach won out but by now Truman is said to be wondering whether they were right.

Anyway, Marshall is going to have one dickens of a time getting the money he wants out of Congress, on the basis of present indications.

I notice that some of the wise characters who haven't much else to do have been speculating on the possibility of a "Marshall Plan" for the Far East, to approach economic rehabilitation there on an integrated basis. Personally, I don't think there is any chance of that at all. In the first place, one of the major arguments for approaching the question of European rehabilitation on an overall basis was that the economy of Europe was so closely interwoven that it was much more efficient to do it that way. That argument certainly does not hold for the Far East.

The U.S. obviously is going to push the economic rehabilitation of Japan hardest and first, since that is where it is costing them the most money to keep the ex-enemy afloat. Correctly or not, most American officials have come around to the old British view that the Japanese are the only ones you can do business with efficiently in the Orient. Add to this the current desire to erect some sort of bulwark against Russia in the Far East and it appears the Nipponese are sitting in the right spot to be the recipients of most of Uncle Sam's favors for a while.

U.S. To Favor Japan

While this may be but the preparation for serious errors, it looks from here that the Chinese are somewhat to blame for the situation. Nobody could ask any foreign nation to take China seriously as a risk, either economic or political, given the current state of affairs there.

Now that the Russians are showing an inclination to boycott the August preparatory Japanese Peace Conference, it appears that the hopelessly deadlocked mess has at last reached clear around the world. The belief here at present is that the United States will insist on going ahead on a Japanese peace conference with or without Russia, since backing down would be interpreted as the sort of retreat which Marshall has said he will not undertake.

Indonesia War Deplored

The State Department prays piously every night for the poor Indonesians and the Vietnam in Indo-China, but does not seem to be able to do anything effective. Today they are extremely sore about the Dutch renewing warfare against the Indonesians but tomorrow will issue a quaint little note "regretting" the outbreak of hostilities but nothing much more.

Actually the Lend-Lease material the Dutch are using to battle the Indonesians is subject to recapture under the terms of the wartime agreements which gave them the material. However, officials here say it would be too much trouble to try to exercise the right of recapture. For my money, it would not hurt to try and also to serve notice on the Dutch that there would be no more Export-Import Bank loans or other financial assistance until they came to the realization they are living in the 20th Century. The same goes for the French in Indo-China.

Aid Expected, Market Quiet

BUSINESS, in a general, was quiet during the week ending July 26, for the major part, owing to persistent reports that American assistance would be forthcoming following the investigation of the Wedemeyer Mission. It was even said that a comprehensive plan was being worked out which would be a blueprint for American assistance to stabilize the fapi. This situation caused businessmen to be reluctant, the mood being accentuated by discussions in Nanking pertaining to the tightening of controls over economic activities, in the main, of financial institutions. It was again bruited about that banks would be prohibited from advancing commercial loans and will have to restrict their lending activities to industrial enterprises.

Wholesale commodity prices index for the week dropped by 2 percent when compared with the previous week. The following table gives the wholesale commodity price index for the past two weeks:

Wholesale Commodity Price Index

	Week Ending July 19	Week Ending July 26
General Index	17,059	46,845
Food	33,404	32,843
Textiles	44,230	43,952
Metals	61,599	61,817
Construction Materials	58,986	59,393
Chemicals	96,253	97,203
Fuels	54,043	54,913
Miscellaneous ..	45,575	45,575

Stocks Quiet

The Shanghai Securities Exchange was also quiet during the week, with quotations of most of the stocks and shares decreased. Wing On Textile shares, which were not traded in the market for a few days because of the issue of new shares in the process of capital increase, proved active in the stock market. However, quotations moved downward because of the general lack of interest in the stock market. Total turnover in the exchange during the past few weeks is given in the following table:

The money market in Shanghai was easy during the past week. Government banks continued to pay out large sums of money through the Shanghai Clearing House because of (1) the large remittances received here from outports in the last few days, (2) payment of wheat, salt and silk loans by the authorities, (3) the general lack of interest in business operations resulting in large sums of money being concentrated in local banks. The black market interest rate dropped to 12 or 15 percent.

New Spiral Due?

According to past experience, many businessmen believe that quotations of commodities as well as financial quotations may rise again as the money market has become very easy. Many businessmen, finding it impossible to lend out their money, may resort to the buying and hoarding of commodities again, which will inevitably push up prices.

The following table gives the quotations of some of the important commodities in Shanghai on July 19 and 26:

	July 19 CNC$	July 26 CNC$
Bond C	7,100	9,300
Wing On Textile	——	230
Mayar Silk	540	433
Ewo Cotton	73,000	80,500
Rice	385,000	365,000
Wheat flour	113,000	107,000
Peanut oil	709,000	760,000
20's Yarn 11,100,000		10,900,000
Raw silk 31,500,000		29,500,000
Rayon 28,500,000		26,100,000
Ruby Queen cigarettes ..	91,100	89,000
Koo Ban Soap ..	505,000	487,000
My Dear Matches ,3100,000		3,070,000

Business of the Shanghai Securities Exchange

Date	Spot Transactions In 1,000 Shares	Spot Transactions Value in CNC$1,000,000,000	Forward Trading In 1,000 Shares	Forward Trading Value in CNC$1,000,000,000
June 23-28	272,093	222.4	433,325	743.3
June 30-July 5	190,844	172.0	115,705	215.3
July 7-12	341,721	207.8	356,775	623.5
July 14-19	380,749	150.6	385,580	395.0

SHANGHAI TELEPHONE COMPANY, FEDERAL INC., U.S.A.

NOTICE TO DEBENTURE HOLDERS

Twenty-five Year First Mortgage 6% Silver Debentures, Series A.

First Mortgage 6% Silver Dollar Debentures, Series B due 1957.

First Mortgage 6% Silver Dollar Debentures, Series C due 1957.

Holders of Debentures of the above Series are hereby notified that the Company is proceeding with the necessary formalities to declare the plan for the Exchange of its Debentures for new Participating Preferred Shares operative and that one-half year's interest at the rate of 6% per annum due August 1, 1947 will be payable on or after August 1, 1947 only to those Debenture holders who have not assented to the said plan as of July 31, 1947.

To safeguard the interests of Debenture holders, checks will not be issued until applications therefor have been made to the Company, except that existing instructions to pay interest to a bank, unless cancelled by the holders, will be continued. Application forms may be obtained from the offices of the Company, 232 Kiangse Road, Shanghai (1st floor, Room 111).

Holders of Coupon Debentures of Series B are hereby notified that Coupon No. 29 representing one-half year's interest at the rate of 6% per annum due August 1, 1947 will be payable on or after August 1, 1947. Forms for listing coupons may be obtained from the Company at the above address.

F. W. PILBEAM,
Assistant Secretary

Shanghai, July 31, 1947.

NEWS OF THE WEEK

Chiang Calls For More Men, Food; Predicts Victory Not Far Off

THE National Food Conference which convened in Nanking last week to devise means and ways for obtaining more food for the prosecution of the anti-Communist war, heard Generalissimo Chiang Kai-shek declare that more food was needed by the Army, which itself needed more men. "Either we continue the struggle for existence or we die," the Generalissimo is reported to have told the conferees.

The same day the Generalissimo told visiting American editors that the Government would win the civil war and that "it would not take very long." He also said that corruption existed because "the open armed rebellion of the Communists has prevented the government from adopting political reforms."

Earlier, at the food conference, Premier Chang Chun revealed that the Nationalist armies totaled from 4,500,000 to 5,000,000 men, who needed about 2,500,000 tons of foodstuffs to carry on the anti-Red campaign in the next 12 months. The food conference decided that the burden of the food collection should fall on the shoulders of the rich. The plan for the continued requisition of foodstuffs included the collection of land tax in kind, a measure which the Government had promised to cease applying after V-J Day.

The week under review passed in a flurry of reports and rumors on the possible outcome of the Wedemeyer Mission as regards American aid to the National Government in the current Civil War. A typical report dispatched by Waldo Drake to the *Los Angeles Times* told of an interview with an American adviser to the Nationalist Government, who said that "help us to crush the rebellion" will be the appeal used by the Generalissimo to obtain aid through the Wedemeyer Mission.

Included in Drake's story was the current rumor that the Kuomintang will ask the United States to "help build a happy China, south of the Yangtze River, where there is little danger of Communist penetration. By continued use of American funds, all China south of the Yangtze might be rebuilt into a "happy, democratic state, under the Kuomintang's benevolent control."

Earlier, the Generalissimo, in his conversation with visiting American editors, charged that certain American correspondents were "dissatisfied with postwar China and have written reports criticizing the inefficiency and moral practices of the Chinese Government." Among the visiting editors was Earl Johnson, *United Press* Vice-President and General News Manager.

Meanwhile, General Wedemeyer and members of his mission, according to all accounts, were putting in a large volume of work collecting information on the situation here. The general visited Shanghai where he interviewed numerous civic leaders and American businessmen, and received private voluntary information from various persons.

Back in Nanking, General Wedemeyer, who was called by the Chinese Communists several days ago the "incendiary of the Chinese Civil War," received members of the Democratic League who told him that peace in China must precede any leavening of the Government with league elements. Lo Lung-chi, the leader of the league, told Wedemeyer that American assistance should be reserved until after the Civil War has stopped.

The Mission, seeking information from all quarters, is said to have also received a letter from Peiping and Tientsin professors and student bodies in the North, cautioning it against favoring all-out assistance to the Government.

In Shanghai, Hamilton Owens, editor-in-chief of the *Baltimore Sun*, opined that the Wedemeyer Mission to China and Korea is a prelude to the extension of the Marshall Plan to the Far East. The editor said that a year ago he thought that the Chinese Communists were agrarian reformers, but that he now realized that they represented a "Russian movement in China."

* * *

UN MEMBERSHIP

IN the United Nations, China attacked the Mongolian People's Republic when the latter applied again for United Nations membership at Lake Success. The Chinese representative charged the MPR with having violated Chinese territory in a "full dress invasion with all the paraphernalia of modern warfare, including aircraft." He said that last year China had supported the MPR application, which fell through due to American and British opposition, but that today "China has cast aside her doubts."

Soviet Russia replied on behalf of MPR asserting that the Chinese soldiers had penetrated about 12 miles into Outer Mongolian territory and the latter's troops were forced to expel them. "Mongolian troops never crossed the Chinese border," the Soviet representative said. He further charged that China attempted to create a situation similar to that prevailing on the Greek border by "such provocative actions on the part of Chinese troops."

The Chinese representative declared he would reply later to the Soviet charges.

Executive Yuan Rules Trade Resumption

THE Executive Yuan is reported to have rejected the recommendation of the National Economic Council to postpone the resumption of private trading with Japan before the signing of the peace treaty and intends to send a private trade mission to that country. This decision of the Executive Yuan has been submitted to the State Council for confirmation. A *United Press* dispatch on the subject said that the cabinet discussion arrived at the conclusion that "China's foreign policy cannot run counter to that of the United States." The resumption of Japanese trade is generally regarded as the resurgence of "Japanese economic imperialism."

NOTICE

This Company wishes to announce that, for the further convenience of its Subscribers, telephone bills may also be paid from August 1, 1947 at:

Shanghai Commercial & Savings Bank Ltd.—Siccawei Branch
1946 Lingsen Road Central (Av. Joffre, Cr. Route Fergusson)

Office Hours: **Week days — 9 A.M. to 3 P.M.**
Saturdays — 9 A.M. to 1 P.M.

(Except Sundays and Holidays)

as well as the Bank's following local office that has already been acting as the Company's collection agent:—

Wayside Branch—1142 Tungtaming Road (Broadway East)

SHANGHAI TELEPHONE COMPANY

Federal Inc., U.S.A.

232 Kiangse Road - - - Telephone No. 94090

What U.S. Papers Say . . .

THE American press last week commented copiously on the American proposal for the convening of an 11-nation conference to draft the Japanese peace treaty, instead of leaving this job to the Council of of Foreign Ministers which has thus far handled the other peace pacts. With a few exceptions, the American press condemned the Dutch attack on Indonesia, pointing to the British method of settling colonial questions as has been done in India.

• • •

JAPAN

THE American press, on the whole, favored the American suggestion for the convening of an 11-power conference to draft the Japanese peace pact, and was cool to the Soviet suggestion that this treaty be drafted by the Council of Foreign Ministers.

The *New York Times* said that despite Russian objections the United States is entirely within its rights in calling a preliminary conference of Japan. "It is to be hoped that all the nations invited to it will join us in an effort designed to restore peace in the Far East and to end a situation which is starving Japan and costing us hundreds of millions of dollars that could be used to much better advantage in the reconstruction of both Europe and the Far East."

The *Baltimore Sun* wrote that the "practical realities make an early settlement of peace terms with Japan desirable. The country is in desperate economic straits, just as Germany is, and only a final peace settlement can give it an opportunity to work out its own problems. If it does not get such an opportunity it becomes a charge upon the United States."

The paper noted that while Russian assent will be needed to make a treaty fully effective, and consideration of the practical realities suggests that there will be much haggling and much bargaining before any such assent is obtained. Our State Department apparently decided that the best way to shorten the process would be to cut the preliminaries and come down to business in the shortest possible time," the *Sun* declared.

The *Washington Star* said that the time is here for the cooperating part of the world to take concrete action regarding Japan. No good can be accomplished by doing nothing."

The *Hartford Courant* wrote that "as always the door must and will be held open for Russia, but it is plainly sensible not to allow the writing of a peace treaty for Japan to be thwarted by delaying actions."

The *Cleveland Plain Dealer* said that the sooner the peace treaty is put into effect, the sooner the Japanese can begin to support themselves and thus relieve the American taxpayer of a heavy financial burden.

The *New York Sun* opined that the Soviet rejection of the invitation confirms the indications that a peace conference which assembled under such terms and conditions as the United States proposed, would not be to the liking of Soviet Russia.

• • •

INDONESIA

THE *Christian Science Monitor*, discussing the Dutch attack on Indonesia, said that Dutch cannot take much encouragement from the French in Indo-China, where military action has only led to military stalemate. The forward thrust of history and the new energies of Asia alike seem to be arrayed against any quick settlement of a problem by force. The recent British handling of Indian independence appears to set a new pattern of imperial devolution in Asia.

The paper analyzed the events which led to the rupture of the Linggadjati agreement and asked whether under the circumstances it was correct for the Dutch to have preferred the "ghastliness of military action to London's offer to mediate or arbitrate.

"This cannot be treated as a private squabble. The spirit, if not the letter of the law calls for arbitration—if not by the UN, then by a neutral power like Britain, skilled and practiced in such problems. The pressure of world opinion should help the Dutch to see this—as well as the pressure of war in Indonesia," the *Monitor* concluded.

The *New York Herald Tribune* placed the major responsibility for the war in Indonesia on the Dutch. "For one thing, they issued the ultimatum which signaled the beginning of the war. They certainly are politically mature and should have made great concessions (as the British did in India) to the intense emotions aroused in Asia today by ideas of independence and democracy," the paper said.

"The Javanese seem to be anxious to renew their efforts to seek peace and surely the Dutch, who themselves have suffered so severely from aggression and whose talents are best suited to a calm world, should be willing to return to the conference table," the *Herald Tribune* suggested.

The *New York Post* said that the United States is Indonesia's logical defender and history selects this country for the job to stand before the Security to say that "these nationalists, at times rash, often disunited, always impatient, deserve more than death under a Dutch tommy gun.

"We should go on record as insisting upon the right of all colonials to work, even stumblingly, toward their freedom, without fear of being cut down by their overlords," the paper said.

The *Philadelphia Evening Bulletin* suggested that the Dutch utilize the American and British "good offices" and if possible those of the United Nations, to bring the Indonesian war to a speedy close. The paper denied that the Dutch were waging a colonial war to reduce the Indonesians to their former status.

Who's Who in China

DR. YU SOO-PING, university professor and criminologist, Police Commissioner of Shanghai Municipal Government; born at Chekiang, June 6, 1911; graduated with

Dr. Yu Soo-ping (Schobern Yu)

（俞叔平）

first class honors from Chekiang Province Police Academy; to further studies, was sent by Chekiang Provincial Government to universities in Austria and Germany for period of eight years, 1930-38; upon graduation from Police Officers' Academy in Vienna in 1934, took postgraduate course in law and criminology at University of Vienna, attending the university's Kriminologische Institut, receiving LL.D degree (Doctor of Law), 1934-38; upon return to China, was appointed professor of Central Police Academy, concurrently head of Laboratory of Experimental Criminology at Academy, 1938-40; lecturer on legal aspects of Sino-British Boxer Indemnity Fund at Szechuen University, concurrently head of Personnel Department of Ministry of Organization, 1940-42; professor and dean, School of Commerce, Chungking University; professor of Chee-loo and Soochow Universities, 1942-45; member of Rules and Regulations Revision Committee, Examination Yuan, Central Department, 1945; author of: Police Investigation and Crime Detection; Medical Jurisprudence; Studies of Fingerprints; Translations: Scientific Arms and International Law; Organization of Civil Officers in Germany; address: Police Bureau Headquarters, Shanghai Municipal Government.

Britain is withdrawing her American loan funds so rapidly that the entire loan may be exhausted by October, according to *Reuter's*. It was previously expected that the loan would last through Britain's four year plan to boost exports, but as she has withdrawn US$2,450,000,000 since the loan was negotiated last year, the loan now is expected to run out in another few months.

• • •

SCAP's foreign trade division disclosed that Japan may soon get a new cotton loan on better terms than the previous one. Eight members of the American cotton mission to Japan have been in continuous consultation with the division and a definite announcement is expected soon. A new generous loan would brighten Japan's textile industry considerably, since textiles comprise about 70 percent of her entire export program, UP reported from Tokyo.

What Chinese Papers Say

THE past week saw the Chinese press devote considerable attention to the question of the resumption of trade with Japan on August 15. Practically all newspapers were against this, holding that China's vital interests would be affected if trade were to be resumed at present. The *Ta Kung Pao* was in the forefront of this "campaign" to prevent the resumption of business with Japan.

* * *

JAPAN

THE *Sin Wan Pao* declared that this is not the right time to open private trade with Japan, but regardless of the opposition of the Philippines, Australia and China, the United States has decided to reopen such trade on August 15. Whether China decides to boycott Japanese trade or not will have little bearing on the development of Japanese trade with other countries. There are indications, however, that China will decide to resume private trading with Japan, the paper said.

The KMT Army organ, the *Ho Ping Jih Pao*, in an editorial entitled We Oppose Reopening Of Trade With Japan," said that theoretically trade with that country will have to be reopened eventually, at the latest this will occur at the signing of the peace treaty.

Among the problems to be considered before this event actually takes place, the *Ho Ping Jih Pao* said, is the plan for such trade which will protect China from oppression on the part of Japanese industries. Also, China should carefully balance her trade so as not to have an adverse trade balance, while exports to and imports from Japan should consist mainly of commodities which will not affect Chinese production.

Smuggling and free trade by individuals should be banned, the paper said, the present trade controls remaining in force when trading with Japan is resumed; on the whole, "We should not inflexibly oppose the reopening of trade with Japan, but careful consideration should be given as to how this is done."

The *Shun Pao*, reportedly supervised by the C. C. Clique, detailed the measures which, in the opinion of the editors, should be taken in connection with trade with China's former enemy.

"In reading Japanese newspapers and periodicals, one can see that the Katayama Government and private trade organizations in Japan have already drawn up a very ambitious plan for reopening trade with other countries which is considered the beginning of Japanese industrial revival. If under these circumstances we should lightly resume trade with Japan we would not only be falling into the trap of 'an industrial Japan, an agricultural China,' but our voice at the peace conference would be weakened," the paper asserted.

If China should take this course, the *Shun Pao* warned, she will have lost the battle at the conference table, although victorious on the battlefield.

The *Tung Nan Jih Pao*, KMT Southeast China organ, noted that the decision to reopen trade with Japan was made by General MacArthur without first consulting the other nations, and was motivated not only by the desire to help Japan recover economically, but also to enlarge benefits for the United States, and ensure American domination of trade with that country.

The paper inquired: "Under present conditions, can any other country besides the United States benefit from trade with Japan?"

"Today, Japan is an obedient 'illegitimate child' of the United States, and after trade is resumed this child will become even heftier and will be able to secure even greater advantages for the United States in the Far East. We should all express our independent views on this important problem and must not always follow the lead of others. In a word, we should oppose the reopening of trade with Japan and should not consider the matter until the situation has changed," the paper said.

The official KMT organ, the *Chung Yang Jih Pao*, said that the Japanese problem is one which cannot be ignored by China. "It is a fact that our national standing has fallen since the conclusion of the war. It is also a fact that the complicated international situation has favored Japan. Instead of waiting for the peace treaty, we should begin to play an active role in this matter," the paper declared. The official organ warned that the time between today and the signing of the peace pact is "our last chance and we must not further ignore the problem so that there will be cause for regret later on."

The *Ta Kung Pao* expressed its determined support of the veto power —the principle of unanimity of the great powers—in the drafting of the Japanese peace treaty. "As we now know, control of Japan is monopolized by the United States and everything is in MacArthur's hands. The only thing we can see is that the United States is helping Japan to regain her strength and that it has incorporated Japan into the anti-Soviet system."

The *Ta Kung Pao* declared that if the peace conference of 11 nations is called, China will be the weakest among them. "The United States and the nations dominated by it may fail completely to consider China's interests. Then, although certain differences exist, there is a possibility of the formation of an Anglo-American bloc at the conference, for the USSR is the only country which is really opposed to the United States. China's interests with regard to Japan are not identical with those of the United States, nor are they identical with those of Soviet Russia. If we act as an appendage of the United States, we shall find the peace treaty far different from what we expect it to be," the *Ta Kung Pao* warned.

"China must oppose the two-thirds majority system and preserve the veto power in connection with Japan's peace treaty. We favor the drafting of the peace treaty by the Big Four or Big Five," the paper said.

* * *

WEDEMEYER

IN connection with General Wedemeyer's Mission, the *Chung Yang Jih Pao*, official KMT newspaper, penned a long editorial surveying the history of Sino-American relations, which the paper said began 170 years ago. "We have been fellow travelers during the past 40 years and allies during the past decade, and we are sure that we shall be able to cooperate with each other closely for a long time."

The paper divided the history of these relations into six stages, the current stage being the most difficult to tide over. "We hope that this unpleasant sixth stage will be turned into a bright and firm period of cooperation between the two nations," the paper said.

The *Ta Kung Pao*, commenting on Wedemeyer's visit to Shanghai in connection with the work of his mission, likewise reviewed the history of Sino-American relations and said that at times American policy towards China has been most hesitant. "We feel sure that it is this hesitancy and confusion that have prompted the dispatch of Wedemeyer to China on his probing mission," the paper said.

"When General Marshall's efforts proved futile in China, the Truman Doctrine made its appearance and the American world strategy has tended to be anti-Soviet and anti-Communist. The American Far East policy has gradually become one of 'Japan first' while China is being accorded a position of secondary importance. We strongly suspect that the Wedemeyer Mission may ultimately result in an American policy here whereby Japan is considered the principal nation in the Far East and China and Korea given only second place. In this case, China is sure to be invaded and oppressed by Japan again, so that the warm welcome accorded Wedemeyer will have been wasted."

The paper expressed the hope that American policy towards China will be motivated by a desire to help it achieve peace, unity, democracy and progress. The Chinese people do not want China to be a follower of the United States, and especially are they unwilling to see America place China after Japan, the *Ta Kung Pao* asserted.

The journal said that Sino-American trade has been lopsided to date. Shops, stalls and warehouses are glutted with American goods. This has been an erroneous policy on the part of the National Government, and if the United States wishes to help China it must aid in the boosting of the purchasing power of the Chinese people, the *Ta Kung Pao* concluded.

Reviewer Protests

To The Editor:

In view of our old and so far enduring friendship, I shall refrain from throwing crowbars and sledgehammers at you although you deserve it. You do because you took the plums out of my pudding. I admit that you did not water down my review of "China's Destiny" in your June 28th issue; but you certainly emasculated it. There is no reason why the author of any book should not be criticized in any language one chooses to use as long as it is not libellous or personally offensive. And why suppress facts like this particular author owning a house in one of the very foreign concessions he objects to so strongly? It is not even news—practically every Shanghailander can point out to you the street and house number.

The Kuomintang apparently does not in principle object to attacks on pretty highly placed party members even if the wording does border on libel; but it seems to depend rather on the merits of the member. I have before me the April issue of a magazine called the *China Monthly*. It is a lush publication, printed on art paper in the United States; the annual subscription is only US$2 while the issue I have seen has only 15 advertisements in it. It is therefore doubtless a kept paper, and from its violently and almost exclusively anti-communist contents, there is little question as to who keeps it. The issue referred to contains a wholly contemptible smear article on Mrs. Sun Yat-sen by one Mary Knight.

Miss Knight strains every ganglion in her feeble brain to make out Mrs. Sun as a communist fellow-traveler. The photograph accompanying her article shows Mrs. Sun drinking a toast to the Red Army at an official reception of the Soviet Embassy in China. The British and American Ambassadors in China quite likely attended the identical function and could have been photographed in a similar pose; they certainly had equally good reasons for toasting the Red Army. Miss Knight's text is on the same level of honesty as the picture. It contains few facts, a great many half-truths, and some outright lies, but mostly it consists of underhand insinuations (like the picture), which takes advantage of a sad coincidence from which all liberals in China suffer; and that is the coincidence of ours' and the communists' views on some immediate aspects of practical policy.

All progressives in this country believe in the urgent need for a land reform; we are fed up with corruption and want a clean government; we want the civil war to stop and wish America to refrain from prolonging the vain struggle by feeding arms and ammunition to that party which is bound to lose it from sheer incompetence and stupidity. We do congratulate ourselves on being intelligent in these matters; but is it really our fault that the communists also have had a brain wave? It is not so surprising; in fact, it is hardly conceivable that more than one party in any one country should be able to focus its platform on all the side issues, the non-essentials, the patriotic trappings, and leave the picture blurred in all that concerns what is vital to this nation and to the world. That unenviable monopoly is enjoyed by the Kuomintang. Does it follow that the Democratic League is a communist underground? Are all the starving desperate students communists? Are the businessmen in the seaports bolsheviks merely because they now know, and make no secret of it, that the ruling party is incapable of efficient government, that it has ruined trade and industry by a flood of ill-conceived restrictive legislation, that it cannot even run a clean and competent modern city administration?

Your correspondent is not a communist and has no intention of ever becoming one; nor are scores of alert American reporters who for the last 10 years have assured the world public that the communists had a sensible program of reform, and that the Kuomintang was a flop. But, mind you, nobody, and least of all Mao Tse-tung, has ever asserted that the communists hold a monopoly of sense or truth. The trouble is, the communists can afford to tell it, and we liberals cannot. We have no radio, our press is muzzled and strangled, our leaders assassinated, or in danger of it; we have no well-organized party, no funds, no army to protect us; we own no corner of the country where the Gestapo cannot follow us and from where our persecuted prophets could safely preach their doctrine.

That so far we have only used the weapons of the spirit, that we have spoken and written and, as a consequence, have been murdered, that may be our own fault; our crusade has produced corpses in our own ranks, and little else. But I ask should we be called fellow-travelers because we have not yet started tossing back at the Kuomintang the hand grenades which they keep throwing at us? For a generation and more, we have fought the battles of democracy in this country, unarmed, defenseless. We have been, and still are, the advance guard of enlightened thought; we have led the good fight.

We liberals have not become communists; it is the communists who have gradually become more liberal; they have, to some extent, become our fellow-travelers, the only converts we have made so far, and only partial ones at that. Perhaps it is true that communist armed resistance has made the Kuomintang more and more obdurately reactionary, more violent and bloodthirsty; that is a matter between the two, and how often have we been tempted to say a plague on both their houses! Yet the Kuomintang once had the choice; just 20 years ago they might have taken our lead. Together we might have captured the country, might have taken the wind of progress out of the sails which the communists were then just hoisting. Now, after two decades of persecuting the communists and butchering the liberals, it is too late. Wherever the banner of progress is raised, they can only see a red rag and they go after it with bovine obstinacy and indiscretion —blind to sense, to reason, to their own best interests.

I shall not waste my time and your space regretting the folly of a party that derives its inspiration for governorship from Tseng Kuo-feng, the traitor in the pay of the Manchu who put down his fellow-countrymen with the help of an army of foreign beachcombers. The subject I set out to discuss actually was Mary Knight. I wanted to say that I am getting damnably tired of Mary and all her ilk. I do not presume to speak for Mrs. Sun, or Owen Lattimore, or Edgar Snow, or Teddy White and the hundreds of others who have attempted to enlighten the English-speaking world on where the road to democracy lies in China; but I say, I for one am sick of having the red label pasted on us because Mary is too lazy and corrupt to differentiate.

We, like most Americans, want to see democracy functioning in China. We have proclaimed our aims, and the communists have rallied to us; the Kuomintang is equally welcome, and it is no fault of ours if they refuse to join. What we do not understand is that the United States should encourage them to keep away, should pay them for doing so, and at the same time pay lip service to our program which is irreconcilable with the present dictatorship of the feudal mandarinate.

The State Department supports the reactionary rulers of Greece, Turkey and Persia because it feels this is the only alternative to communism. Perhaps it is —I do not know these countries well enough to tell. But here in China, it most emphatically is not. We have a vigorous liberal movement that is gaining strength every day and does not need the American taxpayer's money to live. All we ask is that the money should not go to keep our tottering enemies on their legs and that we should not be smeared with red paint because the communists, whom we have led so far on the way to democracy, wish to follow us farther.

American motives are suspected in this country and all the world over because of that rhinoceros hide of the State Department which can perceive no more than the difference between fascism and communism in foreign political movements, leaving out of its pachydermous considerations such apparent imponderables as the Democratic League in China. Caught on the horns of what is a dilemma only to the Secretary of State, he casts his vote always for reaction, as the lesser of two evils. Why on earth is he not a little more subtle and why doesn't he do the job diplomats are paid to do?

If we must have American interference, why not plug for the Democratic League or some such group; give them a territory, arms to defend it, money to make it a model district, expert advice to effect a sensible land reform and an industrial revolution; show the communists that an intelligent understanding of economic problems is not exclusively vested in their party (they will welcome a demonstration); and show the KMT that if they cannot rid themselves of their Confucian voodoo, the country will march past them and leave them stuck in their muck. Let us get some good old-fashioned competition into this stale show. Let there be real parties and let them compete for the popular vote on the strength of their performance; and see who wins.

Nobody is surprised to see the KMT wave the red danger signal whenever democracy is mentioned; their ability by this means to scare moral and financial support for themselves out of the Western countries is the only political capital they have. Their survival depends on befuddling the issue and calling communists all those who disagree with them. We progressives do not call them fascists. In China, the fight is not between fascism and communism. Although they admire it, the KMT reactionaries have as good a working knowledge of fascism as the Magdalenian cavemen had; and the communists are as far from practising marxism (or from being able to do it, if they wanted to) as Adam Smith was. These new-fangled isms will not grow on Chinese soil. The fight is between a semi-feudal, senile and oppressive mandarinate and those of us who want to see the road cleared for the people to determine for themselves where they want to go. That, Mary Knight, is what we mean by democracy; and if you believe in it, my advice is take your dirty fingers off Mrs. Sun Yat-sen, join us, and leave the *China Monthly* and Chen Li-fu to their own silly devices, even though they may pay you better for your articles.

It remains for me, Mr. Editor, to thank you for the courtesy of your space in publishing a dissenting opinion; and if I disapprove of your censoring my book reviews, I on the other hand gratefully appreciate the fact that yours is the only English-language periodical in China whose hospitality may be relied upon to afford us liberals our favorite sport—to beautify unorthodoxy and please the multitude by expounding new and independent theories (See China's Destiny, p. 197).

D. Y. LANNE.

Let us MARFAK your car

YOUR TRUCK AS WELL AS YOUR CAR

DESERVES THE BEST

COMPLETE MARFAK LUBRICATION

CAN BE OBTAINED IN SHANGHAI AT THE FOLLOWING

CALTEX SERVICE STATIONS

CALTEX

• 1052 BUBBLING WELL ROAD	TEL. 36361
• 786 AVENUE JOFFRE	TEL. 68936
• 363 AVE DU ROI ALBERT	TEL. 73673
• 668 AVENUE FOCH	TEL 66075
• 240 HONAN ROAD	TEL 14968
• 1861 RUE PROSPER PARIS	TEL. 68849
• 942 YU YUEN ROAD	— —

THE TEXAS CO. (CHINA) LTD.

WHEELOCK BLDG SHANGHAI

NANKING-SHANGHAI LINE
TIME TABLE

72	4	76	6	8	78	2	10	12	16	TRAIN NO.	1	5	15	7	71	3	9	11	75	77
"Tai Hu" Express	I, II Triumph Exp.	II, III Local	I, II III Exp.	I, II Exp.	II, III Local Exp.	I, II Nanking Throu. Exp.	I, II III Night Exp.	I, II Night Exp.	I, II III Night Exp.	STATIONS	I, II Hangchow Throu. Exp.	I, II III Exp.	I, II III Exp.	I, II Exp.	"Tai Hu" Express	I, II Triumph Exp.	I, II III Night Exp.	I, II Night Exp.	II, III Local	II, III Local Exp.
8.30	7.00	7.30	9.00	11.00	12.15	13.30	21.50	23.00	23.30	D SHANGHAI NORTH A	14.45	16.25	18.25	19.35	22.20	22.45	6.35	8.00	10.25	17.10
		8.55	10.16	12.14	13.48		23.27		0.56	D KUNSHAN D		15.24	17.09	18.22			5.28		8.34	16.05
10.13	8.41	9.42	10.57	12.57	14.29	15.17	0.20	1.06	1.43	A SOOCHOW D	13.06	14.33	16.23	17.36	20.31	21.06	4.39	5.39	7.10	15.19
10.18	8.48	9.49	11.08	13.04	14.36	15.26	0.27	1.13	1.55	D SOOCHOW A	12.59	14.19	16.17	17.23		20.58	4.32	5.19	7.04	15.09
11.10	9.36	10.45	11.57	13.55	15.35	16.14	1.22	2.08	2.50	A WUSIH D	12.11	13.24	15.14	16.29	19.35	20.10	3.39	4.26	6.00	14.10
	9.42		12.06	14.02		16.23	1.29	2.15	3.00	D WUSIH A	12.04	13.18	15.08	16.21		20.03	3.38	4.19		
	10.31		12.59	15.03		17.09	2.27	3.13	4.05	A CHANGCHOW D	11.17	12.22	14.05	15.20		19.16	2.35	3.30		
	10.40		13.08	15.15		17.19	2.37	3.25	4.13	D CHANGCHOW A	11.06	12.09	13.55	15.08		19.06	2.24	3.20		
	11.38		14.00	16.13			3.56	4.29	5.16	A TANYANG D		11.09	12.41	14.05		18.12	1.07	2.03		
	11.41		14.03	16.17			4.00	4.33	5.20	D TANYANG A		11.05	12.37	13.55		18.03	1.02	2.00		
	12.18		14.40	17.01		18.46	4.46	5.18	6.02	A CHINKIANG D	9.32	10.28	11.44	13.07		17.23	0.09	1.07		
	12.25		14.45	17.17		18.53	4.55	5.27	6.09	D WEST A	9.24	10.21	11.38	12.59		17.15	23.56	1.00		
	13.55		16.10	18.50		20.20	6.30	7.15	7.50	A NANKING D	8.00	9.00	10.00	11.00		15.45	22.00	23.00		

FARE LIST

STATIONS	Kilo.	I Class Ordinary Express		II Class Ordinary Express		III Class Ordinary Express		"Triumph" Express, Nanking & Hangchow Through Expresses I	"Triumph" Express, Nanking & Hangchow Through Expresses II	"Tai Hu" Express
SHANGHAI N. TO:—										
KUNSHAN	52	16,000.	32,000.	8,000.	16,000.	4,000.	8,000.			
SOOCHOW	87	24,000.	32,000.	12,000.	16,000.	6,000.	8,000.	60,000.	32,000.	60,000.
WUSIH	129	40,000.	40,000.	20,000.	20,000.	10,000.	10,000.	60,000.	32,000.	60,000.
CHANGCHOW	168	48,000.	48,000.	24,000.	24,000.	12,000.	12,000.	60,000.	32,000.	
TANYANG	213	64,000.	64,000.	32,000.	32,000.	16,000.	16,000.	90,000.	50,000.	
CHINKIANG WEST	243	72,000.	80,000.	36,000.	40,000.	18,000.	20,000.	90,000.	50,000.	
NANKING	312	72,000.	88,000.	36,000.	44,000.	18,000.	22,000.	90,000.	50,000.	

SHANGHAI-HANGCHOW LINE
TIME TABLE

23	21	61	67	25	1	41	27	TRAIN NO.	24	42	2	68	26	22	62	28
I, II III Exp.	West Lake Exp.	II, III Ord.	IV Mixed	I, II III Exp.	I, II H'chow Throu. Exp.	II, III Ord.	I, II III Exp.	STATIONS	I, II III Exp.	II, III Ord.	I, II N'king Throu. Exp.	IV Mixed	I, II III Exp.	West Lake Exp.	II, III IV Ord.	I, II III Exp.
6.45	8.00	8.15		11.30	16.00	16.15	22.45	D SHANGHAI NORTH A	9.15	12.15	12.35		18.55	20.05	22.30	23.30
7.05	8.16	8.36	9.00	11.53	16.19	16.36	23.06	D SHANGHAI WEST D	8.58	11.55	12.20	17.20	18.37	19.49	22.13	23.12
7.49		9.46	10.29	12.38	17.03	17.46	23.50	A SUNGKIANG D	7.51	10.44	11.26	15.29	17.48		21.00	22.16
7.54		9.56	10.40	12.43	17.08	17.51	23.55	D SUNGKIANG A	7.47	10.38	11.21	15.23	17.39		20.54	22.11
9.02	10.02	11.40	12.50	13.50	18.16	19.23	1.06	A KASHING D	6.35	9.04	10.13	13.10	16.20	17.54	19.25	21.00
9.16	10.08	11.50	13.15	13.58	18.26	19.33	1.16	D KASHING A	6.28	8.55	10.04	12.45	16.11	17.47	19.12	20.50
10.00		12.33	14.52	14.32	19.01	20.16	1.50	D YEHZAH D	5.56	8.14	9.31	11.53	15.39		18.29	20.18
10.31		13.18	15.56	15.04	19.32	21.01	2.21	A CHANGAN-TSENG D	5.23	7.27	8.58	10.40	15.06		17.42	19.34
10.36		13.26	16.10	15.11	19.37	21.06	2.26	D CHANGAN-TSENG A	5.19	7.22	8.54	10.27	15.02		17.37	19.27
11.30	11.55	14.45	18.10	16.20	20.30	22.20	3.25	A HANGCHOW D	4.25	6.10	8.00	8.30	14.00	16.00	16.25	18.25

FARE LIST

STATIONS	Kilo.	I Class Ordinary Express		II Class Ordinary Express		III Class Ordinary Express		"Triumph" Express, Nanking & Hangchow Through Expresses I	"Triumph" Express, Nanking & Hangchow Through Expresses II	"West Lake" Express
SHANGHAI N. TO:—										
SUNGKIANG	45	16,000.	32,000.	8,000.	16,000.	4,000.	8,000.	60,000.	32,000.	
KASHING	99	32,000.	32,000.	16,000.	16,000.	8,000.	8,000.	60,000.	32,000.	46,000.
YEHZAH	126	40,000.	40,000.	20,000.	20,000.	10,000.	10,000.	60,000.	32,000.	
CHANGANTSENG	151	48,000.	48,000.	24,000.	24,000.	12,000.	12,000.	60,000.	32,000.	
HANGCHOW	190	48,000.	64,000.	24,000.	32,000.	12,000.	16,000.	70,000.	36,000.	76,000.

NANKING-SHANGHAI RAILWAY SYSTEM ADMINISTRATION

Printed by THE MERCURY PRESS